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Kozyrev on ASEAN Forum in Bangkok

MK2707085794 Moscow NEZAVISIMAYA GAZETA in Russian 27 Jul 94 pp 1, 3

[Mikhail Karpov report from Bangkok-Moscow in the "Diplomacy" column: "The Main Result of the ASEAN Forum Is the Very Fact of Its Taking Place. Andrey Kozyrev Sees No Cause for Skepticism"]

[Text] "Why do you say there are no concrete results?" the Russian Federation foreign minister was amazed at hearing a question from NEZAVISIMAYA GAZETA's correspondent about his attitude to the fairly widespread view that one of the main events in which he took part during his visit to Bangkok has not produced visible results. "The mere fact that such a forum has taken place—which is underestimated by some—is a result in itself," Kozyrev stated. "They forget a very simple thing: The cold war, especially in Asia, was not so one-dimensional as, say, in Europe where there were two rival blocs. They disintegrated, confrontation between them ended, and a new era began. Here, however, everything is different. For instance, Vietnam fought not only against France and the U.S., but it also had a prolonged border war with China, not to mention Cambodia. We had a conflict with China. Against the background of cold war with the United States, an effective ideological cold war was launched against it. I say all this because if one looks at the map, one cannot say that here there were two poles and the entire politics was based on that. There were too many conflicts existing along with basic ideological confrontation. Therefore the fact that these states have gotten together is very indicative."

Further Kozyrev pointed to the existence in the Asian Pacific Region of many large territorial conflicts which were virtually nonexistent in Europe. Besides, he noted that the first meeting of such a format ended with the adoption of a communique mapping out lines for ensuring security. But it is even more important that mechanisms for practical activity have been coordinated. The minister mentioned primarily such institutions as "friends of the chairman" and the "Sherpas Group." They have already proved themselves in the activities of the CSCE and the UN Security Council.

Concerning the latter, NEZAVISIMAYA GAZETA's correspondent reminded Kozyrev of his words about the impermissibility of extrapolating the European experience on the Asian Pacific Region. "In this case the transfer is merely by analogy," the minister parried. "This is not copying European mechanisms. When we talk about the CSCE experience, this does not mean the creation of an Asian security system—the Soviet Union's pet, if one recalls Gorbachev's Krasnoyarsk and Vladivostok initiatives. At the time the question was about transferring experience, because in Europe the CSCE is a whole system: agreements, accords, extended documents, principles, one basket, another basket, democracy, human rights.... Here the approach is different. No one is trying—there is even no such intention—to conclude some comprehensive agreement of the Helsinki type. What is involved here is, rather, spot actions. Say, how to organize work in between annual fora. We said that some particular methods are used in Europe. The "Sherpas group." The question is asked: What is this? They understand and admit that it is very useful. In this case the question is about using in the Asian Pacific Region, separate mechanisms and elements of European experience; a systemic approach—at least for the time being—is unacceptable."

It is hard to disagree with Kozyrev's statement about the forum's convocation being its main outcome. Especially since, as Aleksandr Karchava, chief of the ASEAN Division at the Second Asian Department, noted, for the first time representatives of countries where half the world's population lives have come together. It is enough to mention such demographic giants as China, the United States, Indonesia, and Russia.

Kozyrev's visit showed that there is certain progress also in Russia's entering arms markets in the Asian Pacific Region. As is known, on 9 June the Russian Federation signed a contract with Malaysia for the delivery of 18 MiG-29's. Many were waiting to see the results of negotiations with Malaysia which had lasted for nearly two years. The deal materialized, and incidentally, the Russian Federation president has stressed not just once that Russia has sold aircraft to Malaysia and now expects, with good reason, that Thailand will follow suit. And then perhaps also Australia. Incidentally, a Thai delegation led by the Navy commander in chief is expected in Russia within the next few days. It will be shown our small submarines. Kozyrev noted that the deal with Malaysia is the first but not the last.

Having appeared on the Asian arms markets, Russia, according to Kozyrev, intends to behave as a "civilized arms merchant" and expects the same from other countries. The Russian proposals were met with interest at the forum. Other countries also presented their arguments on this subject, including Australia, the Republic of Korea, and Canada. That the United Sates has sent Talbott, not Christopher, should not, according to the Russian diplomat, be seen as evidence that the it has downgraded the level of its presence for some reason in regards to this particular event. Christopher phoned the forum organizers and sent them a letter. He said that he understands the forum's historic importance, but that he has to take part in another—no less historic—event.

Apparently Russian diplomats have the impression that ASEAN realizes that it is impossible to do without Russia in ensuring the region's security. The task for Russian diplomacy in this respect is to build up its presence and involvement in Asian Pacific affairs. Especially since there is an obvious imbalance in relations. Political interaction between the ASEAN countries and Russia is more developed than economic interaction. Balancing these two aspects is yet another task. The upcoming visit by ASEAN Secretary General Ajit Singh can make a fairly weighty contribution to its resolution.

Deputy Foreign Minister on Iraqi Sanctions

MK2707102494 Moscow MOSKOVSKIYE NOVOSTI in Russian No.30 24-31 Jul 94 (Signed to press 26 Jul 94) p 5

[Report by Sergey Lavrov, Russian deputy foreign minister, under the "In the World" rubric: "Is It Time to Ease Sanctions Against Iraq?"]

[Text] The stance of Russian representatives at the UN Security Council during the recent consideration of the question of sanctions against Iraq has drawn lots of negative comments from the mass media. It has been implied that by suggesting that the regime of sanctions be eased, Russia has allegedly gone it alone against the opinion of the international community, put its economic interests above UN principles, and ceased to toe the line of democratic states on the international scene. The nature of these comments testifies to the insufficient knowledge of both the crux of the matter and the Russian stance, and, I think, requires explanation.

No principles of international security and fostering democracy can be upheld other than by legal methods. This means that all UN members need to strictly adhere to standards of international law, including in the implementation of UN Security Council decisions. The resolutions on the "Iraqi file" that have been passed by the Security Council contain a list of requirements, including the elimination of Iraqi weapons of mass destruction, and missiles with a range longer than 150 km—the so-called "disarmament requirements"—and also a number of others, such as the recognition of Kuwaiti sovereignty and international borders. The Security Council has imposed sanctions on Baghdad, and made the lifting of them conditional on the implementation of these resolutions. At the same time, resolution No. 687 explicitly stipulates that the lifting of certain sanctions, particularly, the oil embargo, will be linked to the implementation of the "disarmament requirements" and nothing else.

In July of this year, during a regular review of the regime of sanctions, tangible progress was reported in accounting for and eliminating Iraq's weapons of mass destruction and the potential for their production. As of now, Iraqi chemical weapons, precursors [prekursory], and the means for producing them have been destroyed, the declared biological scientific-research facilities have been eliminated, and trustworthy information on Iraqi missiles with a range longer than 150 km has been obtained. A special UN commission on Iraqi disarmament has concluded that all such missiles have been destroyed, and the Iraqi program for the development of a two-stage, long-range ballistic missile has been halted. The special commission has also reported that a long-term system of monitoring and control over adherence to "disarmament" provisions of the Security Council resolution is virtually ready (earlier, the absence of such a system was considered an obstacle to reviewing the oil embargo decision).

Given all these factors, Russia has suggested that the Security Council adequately react to the reported positive shifts. Russia was far from alone in taking this stance. Our views were shared by many Security Council members, including France and China, and also Nigeria and Brazil.

At the same time, we did not propose that a decision on lifting sanctions be made immediately, but we thought it important to point to the obvious progress that has been made in the implementation of Security Council decisions, and to the need to set as early as possible (say, in September), a limited probation period upon the expiry of which the Security Council, if things continue to go smoothly afterward, will be ready to consider the question of lifting the oil embargo.

Unfortunately, despite the opinions of a majority of Security Council members, this approach was blocked under the pretext that Baghdad has not yet complied with all Security Council requirements. In that regard, the Russian delegation has stated that Security Council resolutions must be adhered to by Security Council members themselves, not only by the countries for whom one requirement or another is set. Attempts to give the phrasing of the resolutions a broad interpretation for reasons of political expediency run counter to the cause of bolstering the Security Council's authority on the basis of law.

Pursuing its stance on the "Iraqi file," Russia does not make any bones about the fact that it has large economic and financial interests at issue. Still, we intend to pursue these interests not behind the scenes, bypassing international law, but by acting strictly in compliance with UN Security Council resolutions and the procedures established in them.

At the Security Council meeting in July, Russia clearly reaffirmed the need to fully fulfill other Security Council requirements regarding Iraq—not only those concerning disarmament—including Iraq's clear and unequivocal recognition of Kuwaiti sovereignty and international borders, and the clarification of the fate of Kuwaiti subjects missing on Iraqi territory. These are the key prerequisites for Iraq to fully return to the international community. Once all the remaining requirements are fulfilled, all the other sanctions, aside from the oil embargo, must be lifted. But we oppose attempts to revise Security Council resolutions retroactively or to establish new linkages that are at odds with earlier decisions. Russia also pursued this line in Naples: The summit's political statement included our phrasing about the need for Iraq to implement each Security Council resolution (not all resolutions) as conditions for lifting the sanctions.

In a broader context, the situation over the "Iraqi file" has also raised the problem of the imperfection of current sanctions- related mechanisms and procedures. Practice has shown (not only in the case of Iraq, but also, for instance, in the former Yugoslavia) that from now on, as soon as decisions on imposing sanctions are made, we should establish clear sanction-lifting mechanisms not subject to speculative interpretation, which will be gradually set in motion as violator countries fulfill Security Council requirements.

Black Sea Exercise Seen Threatening CIS

MK2807091994 Moscow SEGODNYA in Russian, 28 Jul 94, p 4

[Viktor Yadukha report from Sevastopol in the "Fleet" column: "Friendship May Be a Good Thing but.... The Black Sea Fleet Command Is Divided Over a Joint Black Sea Exercise"]

[Text] From 25 through 28 July in the south-western part of the Black Sea an operational-tactical exercise by the Bulgarian republic Navy, Briz-94, is being conducted. Taking part are also ships from Greece, Rumania, Turkey, the U.S. 6th Fleet, Ukraine, and Russia. The Black Sea Fleet is represented by the escort [storozhevoy] ship "Ladnyy" commanded by Captain 1st Rank Aleksandr Bezmeltsev. Officially, the main objectives of the exercise are preparation of the Bulgarian Navy for participation in UN peacekeeping operations in providing humanitarian assistance, and also consolidation of trust in the Black Sea region, and exchange of experience between ship crews in the course of joint actions.

Nonetheless the Black Sea Fleet Command is not unanimous about these exercises. A high ranking Black Sea Fleet intelligence officer is convinced that Briz-94 is effectively NATO maneuvers aimed at taking control of the Black Sea theater of operations. According to the officer, in such cases NATO warship personnel, in particular that of the U.S. 6th Fleet, is specially reorganized: Personnel, who have already had the experience of navigation in the region, are replaced by "rookies" so that a maximum amount of naval servicemen can get acquainted with local conditions. Furthermore, such exercises are usually attended by numerous intelligence service agents, in the role of staff officers, who scan the sea-bed shelf, closely study the technical characteristics of the partners' arms systems, and the morale of their personnel.

The Black Sea Fleet command refrains from any comment on this question. However it must be no accident that only the "Ladnyy" is engaged in these exercises. It was this ship which in 1986 forced from the territorial waters of the then USSR, U.S. frigates that had entered the 18-mile zone of Sevastopol, and which therefore is well known to the Americans.

The Executive Committee of the Council of CIS Hero Cities, located in Sevastopol, is going to make a special protest over the exercise. "Penetration by 6th Fleet and NATO ships of the Black Sea is a serious threat not only to the south of Russia but also to Ukraine, Moldavia, the Transcaucasus, and even partially Belorussia," Admiral Aleksey Kalinin, former Black Sea Fleet commander and currently chairman of the Executive Committee of the Council of CIS Hero Cities, told SEGODNYA's correspondent. "The fact is that Tomahawk missiles, in service on surface ships, are capable of hitting targets in administrative and industrial centers on the territory of these countries, 2,500 km away from the sea. Today the CIS' relations with the NATO bloc members are quite normal but in the event they become aggravated, a contingency against which no one can be insured, this threat will become more than real. This is why we consider the conduct of exercises in the Black Sea to be premature." The admiral believes that these "large scale NATO maneuvers in the Black Sea—the first in 50 years—will upset the already shaky balance of forces in the region. If Bulgaria and Rumania are integrated into the North Atlantic bloc in some role or other, this will enable it to locate its missile complexes in the area of Burgas and Constance."

CIS Executive Secretary on Yeltsin Proposal

LD2707161094 Moscow INTERFAX in English 1516 GMT 27 Jul 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Boris Yeltsin, chairman of the CIS Council of Heads of State, proposed that the next CIS summit be put off from early September until October 7. He told the Commonwealth Executive Secretary Ivan Korotchenya over telephone that the postponement was needed to enable in-depth analysis of the proposal made by numerous member states on further integration.

Korotchenya told Interfax that the Russian president had called for holding a meeting of heads of government which would be attended by foreign and defense ministers and vice premiers in charge of CIS affairs.

Experts of the CIS Coordination and Advisory Committee, chaired by Russian Deputy Prime Minister Alexander Shokhin, say that most proposals on integration in the CIS framework provide for the setting up of mechanisms which would put the Treaty on Economic Union on a solid footing. Under one proposal the Economic Cooperation Commission, that was set up at the last CIS summit, would be transformed into a more efficient and powerful agency, an Interstate Economic Council. The council would have been set up earlier but for the Ukrainian veto. (Ukraine is an associated member of the CIS Economic Union). The electoral victory of Leonid Kuchma in the Ukrainina presidential elections is expected to enable Ukraine to contribute more to the CIS coordinating bodies. IF Note: Representatives of the CIS member states and Executive Secretariat met in Moscow Tuesday to draft Interstate Economic Council foundation documents. Officials in the press service of the CIS Executive Secretariat in Minsk told Interfax that the meeting had agreed that the council should become a permanent coordinating, executive, supervising and, to an extent, decision making body of the union.

Korotchenya said that Yeltsin and himself had discussed the results of the recent meeting of CIS defense ministers.

The ministers agreed on the concept of CIS collective security which will be submitted to the heads of state at the next summit. The document will hold only for the states which had signed the Tashkent Collective Security Treaty of 1992, or Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan.

The most important outstanding issue which, the Russian military think, needs a political solution is the financing of peacekeeping operations. This burden is now carried by Russia whose Defense Minister Pavel Grachev wants other CIS member states to contribute to the operations too because Russia can hardly afford them alone. He intends to make this view known to the CIS heads of state at the next summit.

Border Guard Commanders Meet in St Petersburg

LD2807055194 Moscow ITAR-TASS World Service in Russian 0515 GMT 28 Jul 94

[By Itar-Tass correspondent Svetlana Ivanova]

[Text] St. Petersburg, 28 Jul—Today a two-day session of the council of border guard commanders of the CIS member-states has started in the Taurida palace in St. Petersburg. The conference is taking place behind closed doors.

ITAR-TASS has learned, however, that it is proposed an agreement should be signed on the results of the conference that will help resolve many border problems experienced by the border guards of the different states. Up to now no documents exist on regulating mutual relations between the border guards of the former Soviet republics.

During the session bilateral meetings between the CIS border guard commanders are also planned.

Uzbek Ships Ferrying Afghan Refugees Detained

LD2707173294 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 27 Jul 94

[Text] Two barges and one cutter with their crews which belong to River Amalgamation of Uzbekistan were detained without the slightest grounds in Shir Khan Bandar of Afghanistan.

The ships were to transport another group of refugees from Afghanistan to Tajikistan. The Uzbek river transport workers were transporting the refugees across the Pyanj in accordance with an agreement between Tajikistan and Uzbekistan.

The official representatives of Afghanistan explained their action that there was no agreement signed between Afghanistan and Uzbekistan on using [passage indistinct] between Shir Khan Bandar and Nizhniy Pyanj border crossing point. In addition to this, the Afghan side delivered an ultimatum that it would permit the function of [passage indistinct] if the Afghan mojahedin are allowed to accompany the Tajik refugees to the Tajik coast of the Pyanj river. However, the Russian border guards refused this. According to some observers the aim of such action of the Afghan authorities is to reduce the number of refugees who want to return home.

ITAR-TASS Carries Press Review for 28 Jul

LD2807084094 Moscow ITAR-TASS in English 0642 GMT 28 Jul 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow, July 28 (TASS)—The Moscow-based newspapers in their Thursday editions focus on the scandal involving the joint- stock company MMM. Newspapers do not practically set out the authorities' view and content themselves with the coverage of developments from the MMM point of view.

NEZAVISIMAYA GAZETA on the MMM scandal:

"It is enough for joint-stock company president Mr Sergey Mavrodi to promise to return shareholders' money to become a president of Russia". The newspaper believes that all the hullabaloo is the MMM's game the purpose of which is "to buy up the maximum number of shares on the cheap through its people at the stock exchange and fix a new quotation in one week's time."

SOVETSKAYA ROSSIYA runs a letter by the MMM president who emphasises: "There is every indication that the authorities have, actually, little concern about the interests of shareholders. What is much more important to them is to get an ideal pretext to decapitate the MMM by accusing its director, say, of fraud or something like that...

"Since all attempts to destabilise the operations of MMM through direct pressure, slander, provocations, etc. Did not produce the desired results, the direction of the strike will now inevitably be shifted to the MMM leader. In this connection, probably, the authorities will make attempts shortly to compromise me in some way, or institute criminal proceedings".

KOMSOMOLSKAYA PRAVDA carries a statement by the MMM press service which points out in particular that the MMM "will hold out all the same, will grow still stronger and become more popular despite all the lies, obvious slander, and juggling of facts used against it."

ROSSIYSKAYA GAZETA on human rights and freedoms:

"Standing on guard of the interests of the people of Russia are now the new constitution, the parliament, state institutions and, finally, the president of the Russian Federation. Much of what only recently in relations between people and the authorities seemed a utopia has now become a norm of life. This inspires hope that present-day, renewed Russia is capable of removing tension in such a delicate sphere as human rights as well."

ROSSIYSKAYA GAZETA on low-orbit satellite programme START-1:

"The START-1 programme is so far the only example of conversion to civilian uses in the aerospace sector on an extrabudgetary basis."

An article to this effect deals with the development efforts at the Moscow Institute of Heat Engineering. Previously the institute staff were busy developing ballistic missiles, whereas now they have created a START-1 programme for the launch of low-orbit satellites.

"The United States is the only competitor. But booster rockets made at the institute on the basis of combat missiles have no analogues in the world in the degree of reliability.

"Our booster rockets will orbit an American satellite, too. A South African satellite will be the first to be launched (a contract to this effect has already be signed), to be followed by American and Swedish ones," Yuriy Solomonov, deputy general-designer of the institute, told the newspaper.

PRAVDA on the plight of Moscow enterprises:

"Most enterprises of Moscow are on the verge of ruin. Their number has decreased by 30 to 70 percent compared with the 1991 level and production declined by up to 70 percent and in the defence sector—by 90 percent.

"Chronic poverty forced the enterprises to give up the running of almost all nurseries and holiday camps. Only some of them have survived after being transferred to the jurisdiction of the city."

KOMSOMOLSKAYA PRAVDA on poor quality of food sold by commercial Kiosks in Moscow:

"An inspection tour of commercial kiosks in Moscow by the personnel of the city sanitary-epidemiological inspectorate has revealed that about 30 percent of foodstuffs are simply inedible and at times hazardous to life.

"Almost all specimens of domestically produced vodka have no certificates of quality and sample tests revealed that the bottles contained purified technical alcohol.

"According to the Ministry of Health, 750 people got poisoned in Moscow this summer upon tasting the kiosks' fare".

TRUD carries an interview with Vladimir Lukin, former Russian ambassador to the United States, who is now chairman of the State Duma committee on international affairs.

Lukin comments on the U.S. Senate decision to link the rendering of aid to Russia with the withdrawal of Russian troops from Estonia before August 31. He spoke about a "well-known American double standard. Previously, the Americans did fine by stating that the U.S. is a democratic and free country while Russia was an evil empire. Therefore they were automatically good guys and the Russians were bad guys."

"Now that Russia has a somewhat different system, it has become more difficult to play on that. But the syndrome persists. This is how double standards take root in great-power psychology".

NOVAYA YEZHEDNEVNAYA gazeta (New Daily Newspaper) reports, referring to informed sources, that "colonel (justice) V. Semyonov, deputy departmental chief at the Interior Ministry's investigation committee, has signed an instruction to terminate criminal proceedings against State Duma member Artyom Tarasov and his former deputy Ponomarenko.

"The proceedings instituted against Tarasov more than two years ago forced the first 'legal' millionaire to leave the country. He returned to the country by the start of his successful election campaign."

Yeltsin Said To Offer Serbs 'Sovereign State' Guarantee

MM2707165594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 28 Jul 94 p 7

[Report by RIA NOVOSTI correspondent Andrey Baturin "especially for KOMSOMOLSKAYA PRAVDA": "What Grachev Brought With Him Is a Big Secret"]

[Text] Belgrade—The head of the Russian military department arrived on a working visit in the Yugoslav capital on a special assignment from Russian Federation President B. Yeltsin. Pavel Grachev informed representatives of the press that his briefcase contained two sealed letters from Boris Yeltsin personally addressed to Serbian President Milosevic and Radovan Karadjic, of the contents of which he knew nothing.

Meticulous journalists nevertheless managed to discover—unofficially, it is true—that it was a question of a new Russian peace initiative to settle the Bosnian crisis. Moscow, in the event of the Bosnian Serbs' accepting the contact group's plan, is prepared to offer guarantees that they will be able to form their own sovereign state, and also, if they so wish, enter into a confederation with Serbia.

'Diplomatic Sources': Bosnia Conference May Not Occur

LD2707154294 Moscow INTERFAX in English 1349 GMT 27 Jul 94

[From the "Diplomatic Panorama" feature]

[Text] As Interfax learned from diplomatic sources in Moscow, the conference between foreign ministers from Russia, the USA and the European Union (Britain, France, Germany, Belgium and Greece) to be held in Geneva this week-end may fail to take place.

"Such a conference would make sense only if Russia and its Western partners manage to adjust in detail their attitudes to the Bosnian Serbs, who in fact rejected the "peace ultimatum" of the international community," a specialist in Balkan studies involved in the endeavors to work out Moscow's foreign policy, told Interfax.

Participants in the proposed conference in Geneva can discuss largely the forceful ways of exerting influence on the Bosnian Serbs, he explained. "The reasoning of Bosnian Serbs is simple enough: they have already buried the scheme for a peaceful settlement known as the Vance-Owen plan. They obviously intend to do the same with the "peace ultimatum" also. Such a stand may have very serious, if not tragic, consequences not only for the Serbs, but also for Europe as a whole," he said.

According to Interfax's interviewee, this time the world community will not allow the Bosnian Serbs to fool itself. "The recent message from the U.N. secretary General, Butrus Butrus-Ghali, to the Contact Group concerning the possibility of replacing the U.N. peacekeepers in Bosnia with NATO forces testifies to his resolve to put an end to the most dangerous post-war conflict in Europe," he said.

The source believes that "the Bosnian Serbs' unwillingness to forgo their principles placed Russia in an unenviable position." "If Russia fully agrees with the Western partners' plans to influence the Bosnian Serbs by force, this will result in aggravating political tensions within the country and in giving hard-line patriots an excuse for launching attacks on the foreign policy pursued by President Boris Yeltsin," he noted. "On the other hand, if Moscow departs from the attitude agreed upon earlier, and refuses to form a "united front", this will not only lead to breaking up the Contact Group, but also may exert an adverse influence on the nature of its relationship with the West."

According to Interfax's interviewee, "Russia will lose in any case, but it's essential to make its losses as minimal as possible. Russia has its own national interests differing from the interests of Bosnian Serbs," he noted. "We must not forget the price Russia paid for its joining World War I, into which it had been dragged by the Serbs. The Serb politicians of the 20th century recall their "special relations" with Russia only when they get in trouble, and forget about such relations as soon as the clouds over them disperse. It's indicative, for instance, that from 1918 to 1940 Russia and Serbia had no diplomatic relations. The ups and downs in relations between the former USSR and former Yugoslavia do not need to be commented on either."

Grachev on Results of FRY Visit

LD2707175394 Moscow ITAR-TASS World Service in Russian 1630 GMT 27 Jul 94

[By ITAR-TASS correspondents Ivan Ivanov and Aleksandr Kondrashov]

[Text] Belgrade, 27 Jul— "The results of my visit to Yugoslavia will be felt in just two or three days' time, so it would be too early to appraise it right now", Russian Defense Minister Pavel Grachev said in an exclusive interview with an ITAR-TASS correspondent at the end of his visit to Belgrade.

During the course of the visit the minister held a number of meetings with the leadership of the FRY, Serbia, the Serb republic in Bosnia, and the Serb Krajina republic in Croatia. "I brought them proposals which, in the opinion of Boris Yeltsin and the Russian leadership, will have a decisive effect on the Bosnian problem with regard to a peaceful settlement to it," Grachev said. He explained that he had presented to the Serbian leadership "three basic proposals" which, he said, together with the plan of the international "contact group," could radically influence a peaceful solution to the Bosnian crisis.

Grachev categorically refused to reveal the essence of the new Russian proposals, merely saying with a smile: "Don't rush, wait two or three days and everything will be made known."

To the question how the world community can learn about the Russian leadership's three proposals, the minister said that they will possibly be revealed in a statement by Radovan Karadzic, the president of the Bosnia Serb republic.

"The Serbian leaders will be studying and analyzing our proposals and then decide whether to accept them or not. Therefore I should not like to preempt events by revealing the essence of our proposals", Grachev said.

He neither confirmed nor refuted reports on the possible increase of the Russian peacekeeping 'blue helmets' contingent in the territory of the former Yugoslavia. Of the 36,000 UN troops deployed today around Vukovar and Sarajevo, there are two Russian battalions which totalling 1,500 men.

Pavel Grachev especially stressed that "it is not possible to solve the Bosnian problem once and for all without a certain degree of compromise between the Muslim-Croatian federation and the Bosnian Serbs." He indicated that the new Russian proposals can also be viewed as a compromise of a sort.

Forecasts 'Complications' in Bosnia

LD2707153694 Moscow ITAR-TASS World Service in Russian 1225 GMT 27 Jul 94

[By ITAR-TASS correspondents Ivan Ivanov and Aleksandr Kondrashov]

[Excerpt] Klisa (near Vukovar), 27 Jul—"We forecast further complications in the situation in Bosnia-Herzegovina," Army General Pavel Grachev, the Russian defense minister, said today at a meeting with the command of the Russian battalion of the UN "blue helmets" deployed near Vukovar.

The minister added that the plan of territorial division of Bosnia drawn up by the international "contact group" was "far from perfect."

"Under this plan, not only territories, but even families are divided," he went on. "As a result there will be cases when close relatives will have to cross border check points in order to visit each other."

"That is why the issue of settling the situation in Bosnia is far from being closed, and I believe that our peacekeeping operations here are to continue for a few more years," Grachev concluded.

The Russian Federation defense minister conveyed Russian President Boris Yeltsin's gratitude to the soldiers of the Russian battalion for carrying out impeccably the peacekeeping tasks set before them. He added that it was very important to avoid losses of personnel.

Grachev visited today the checkpoints that divide the Serbian side from the Croatian side and that are guarded by Russian paratroopers. They reported to the minister that tension had fallen considerably in the last two weeks in the battalion's action zone. "Nor have there been any provocations against us," the soldiers said. At the same time, they said, engineering works are vigorously under way on the route of the withdrawal of Serbian and Croatian troops.

After the meetings with the personnel of the Russian blue helmets battalion, the Russian Federation defense minister met Milan Martic, the president of the republic of the Serbian Krajina and a state- like formation created on the Serbian ethnic territories in Croatia. [passage omitted]

Visits Peacekeeping Forces

LD2707151094 Moscow ITAR-TASS in English 1256 GMT 27 Jul 94

[By ITAR-TASS correspondents Ivan Ivanov and Aleksandr Kondrashov]

[Text] Belgrade July 27 TASS—Russian Defence Minister, General Pavel Grachev visited the deployment site of the Russian peace- keepers battalion in the sector "Vostok" on Wednesday.

The area around the Vukovar and Osijek city area, situated 150 kilometres north-west of Belgrade, was regarded as a "hot spot" in the former Yugoslávia two years ago. There were frequent armed clashes taking place between the Serbs settled in this area and the Croat Army. The deployment of the Russian paratroopers here in the spring of 1992 helped ease the tense atmosphere and gradually return peace to residents of this area.

The Russian defence minister had a meeting with the rank and file of the "Rusbat", as it is popularly called here, acquainted himself with living and working conditions of the Russian peace-keepers, and visited a number of observation checkpoints, where they regularly discharge their combat duties, ensuring peace over more than 100 km. Long line of demarcation.

General Grachev also plans to meet Milan Martic, president of the Serb Krajina, a state formation created over the ethnic Serb territories in Croatia.

Karadzic 'Satisfied' With Talks

MM2707194994 Moscow KRASNAYA ZVEZDA in Russian 28 Jul 94 p 1

[ITAR-TASS report under general heading "Russian Federation Defense Minister Meets With Serbian President"]

[Text] Belgrade, 27 July—I am satisfied with the talks which have taken place, Radomir Karadzic, president of the Serb Republic in Bosnia, stated in an interview with an ITAR-TASS correspondent following a two-hour meeting with Russian Defense Minister Pavel Grachev. The very fact that Minister Grachev is here with us is extremely encouraging. We informed each other in detail about the situation and our positions on resolving the

Bosnia crisis, and the course of the conversation completely satisfied us. Answering a question as to whether the Russian side offered the Bosnian Serbs new guarantees in relation to the implementation of the "contact group" plan, Karadzic laconically replied: Russia's very existence is the most reliable guarantee for us.

As has become known from Russian delegation sources, Pavel Grachev and Vitaliy Churkin, who was present at the meeting, tried to convince Karadzic and Ratko Mladic, commander of the Bosnian Serb army, to adopt a firm positive decision on the "contact group" plan, promising support and guarantees in implementing the Serb side's wishes and insistences. But what specifically Grachev and Churkin offered the Bosnian Serb leadership as yet remains a secret.

Defense Minister Pavel Grachev and Vitaliy Churkin, the Russian president's special representative who is accompanying him on his trip, had talks with FRY Defense Minister Pavle Bulatovic and FRY Army Chief of General Staff Momcilo Perisic. As your ITAR-TASS correspondent learned from sources in the Russian delegation, questions of a peaceful settlement of the Bosnia crisis and also the prospects for the development of relations between the two countries were discussed at the talks, which were held behind closed doors.

Stance on Bosnian Settlement Seen as Precarious

MK2707142094 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 30, 24-31 Jul 94 (Signed to press 26 Jul 94) p 13

[Article by Aleksey Pushkov under the "Assessment" rubric: "How Will Moscow Respond to the Serb Gambit?"]

[Text] The actual refusal by the Bosnian Serbs to accept without changes the international plan on the settlement of the Bosnian crisis has once again landed Russian diplomacy in a dubious position.

On the one hand, in the wake of the well-known incident near Gorazde, Moscow appeared to have become disappointed with the Bosnian Serbs as partners and mended fences with the Western countries, primarily with the United States, as regards approaches to resolving the conflict. The international contact group put forward a unified plan which, if accepted, would at least give hope for stopping the bloodshed.

On the other hand, despite this, and owing to the alignment of political forces in Russia and its entire previous diplomatic role, it remains the only great power more inclined than the others to reckon with the position of the Bosnian Serbs. Hence the clear differences in assessing their answer: Whereas U.S. Defense Secretary William Perry assessed the Serbs' reaction as disappointing and tantamount to a rejection of the peace plan, Andrey Kozyrev underlined the Serbs' readiness for further talks on the basis of this plan and described their answer as "rather a positive one."

As a result the specter of a Russian-American split in regard to the attitude to the Serbs, that all but disappeared, is back in evidence. Should the Serbs not change their stance by 30 July, when the next meeting between foreign ministers of Great Britain, Germany, Russia, the United States, and France on the Bosnia issue is scheduled, the situation for Moscow would sharply worsen. It is not ruled out that the ensuing events—once it comes to tougher sanctions against Belgrade and lifting the arms embargo on the Muslims (that has been resolutely opposed by Russia to date)—would compel Moscow to decide whether she should engage in a political conflict with the West over her role and prestige on the Balkans.

Russian diplomacy has up to now managed to somehow avoid such a choice. Today, however, when the Muslims and the Croats, perhaps out of tactical considerations, have nevertheless officially accepted the peace plan, the Serbs' position appears rather vulnerable. One of the last levers in the hands of Russian diplomacy consists in putting into action its lingering "special relations" with Belgrade, which is also interested in a speedy settlement because it is literally tortured by the sanctions imposed upon it by the United Nations.

The Grachev-Churkin tandem has set off for Belgrade in a hurry with no other objective than to persuade it into putting additional pressure on the Bosnian Serbs. To all appearances, Grachev intends to talk "in a familiar" military way both with the Bosnian Serbs leader Radovan Karadzic, and Branko Mladic, the head of their armed forces, who is on record already as having undermined the efforts of Russian diplomatic efforts near Gorazde. Russia will apparently simultaneously try to persuade Western countries to consider some of the terms for the acceptance of the peace plan put forward by the Bosnian Serbs. Should this double approach also fail, Moscow may end up on that crossroads where you are a sure loser no matter which road you take.

Yeltsin on 'Touch' Stand in Estonian Talks

LD2707113294 Moscow Ostankino Television First Channel Network in Russian 0950 GMT 27 Jul 94

[Text] Russian President Boris Yeltsin has left this morning on a three-day visit to Krasnoyarsk kray. The program of his stay in Krasnoyarsk is packed to the limit. The president said this region of Russia is politically stable and has enormous manpower and natural resources. However certain problems will have to be resolved during the trip. The main problem is the halt of plutonium manufacturing at the mining and chemical combine in Krasnoyarsk-26. Answering correspondents' questions before leaving for Krasnoyarsk, Yeltsin also spoke about yesterday's talks in the Kremlin with the head of the Estonian state:

[Begin Yeltsin recording] As soon as the Estonian president got on the plane yesterday to leave for Moscow, his prime minister spoke rigidly against signing any agreement, you see. He took the stance: You must pull out the

troops, no questions asked, as it were. We are not going to discuss to any human rights issues, as it were. In other words, the situation was, of course, quite tense. [end recording]

Nevertheless, the president said, Russia's stand was tough: Unless 10,000 Russian military pensioners received equal rights with Estonians, the withdrawal of troops would be halted for an indefinite period of time. Thanks to Russia's toughness, the signing of the agreements became possible.

ITAR-TASS Summarizes Agreements

LD2707232694 Moscow ITAR-TASS World Service in Russian 1444 GMT 27 Jul 94

[Text] Moscow, 27 Jul (ITAR-TASS)—The Russian president' press service today passed to the media the texts of the "Treaty between Russia and Estonia on the withdrawal of the Russian Armed Forces from Estonia and the conditions of their temporary stay on its territory" and the "Agreement between Russia and Estonia on social guarantees for pensioners of the Russian Armed Forces in Estonia." Both documents were signed on 26 July by Russian President Boris Yeltsin and Estonian President Lennart Meri.

The treaty, which is nine pages long, provides for Russia to complete the withdrawal of its armed forces from Estonia by 31 August 1994. At the same time the Russian side undertook not to increase the numbers and not to replace the armed forces personnel without an agreement to it by the Estonian Government. There is a stipulation in the treaty that says officers, warrant officers, and ensigns can be replaced in exceptional cases.

There is provision that the movement of armed forces outside the locations where they are stationed at platoon strength and above and movements connected with the transportation of armaments, ammunition, and military equipment will be effected in coordination with the Estonian Defense Ministry. Aircraft flights and ship movements are also to be coordinated with the Estonian military authorities.

The treaty contains provisions regarding property matters. The Russian side is handing over the real estate of its armed forces to Estonia. At the same time Estonia reserves the entitlement for individuals belonging to the Russian Armed Forces and members of their families to the ownership of residential houses, small dachas, garden cottages, and garages and the entitlement to sell them.

Under the treaty the Estonian side is to issue Russian servicemen and members of their families with free certificates entitling them to have the use of housing. This certificate may be extended up to 31 August 1995 if the serviceman does not have any housing within the territory of Russia or if he needs to complete a course of treatment in Estonia.

Estonia has undertaken to take part in the construction of housing for the Russian servicemen leaving the country "if this construction is financed by third countries."

The treaty regulates the procedure for servicemen and members of their families crossing the border. It stipulates that criminal and civil cases against Russian servicemen and members of their families "are as a rule subject to the jurisdiction of the Estonian Republic."

The document states that questions relating to the withdrawal of the Russian naval training center on Pakri peninsula are to be regulated by the sides in a separate agreement.

The Russian-Estonian treaty is subject to ratification by the parliaments of the two countries.

The agreement on matters of social guarantees for military pensioners first and foremost defines the term "military pensioner" as a person who is deemed to be retired from military service and in receipt of a pension and allowance paid for by Russia.

On the personal application from military pensioners, members of their families and persons who have lost their breadwinner the Estonian side undertakes to issue them with Estonian residence permits. This does not apply to individuals who are "on good grounds refused residence permits by decision of the Estonian Government because of a threat to the Estonian state's security." A CSCE representative is invited to take part in the work of the government commission recommending the granting of residence permits.

Russia provides pension support for military pensioners within Estonia irrespective of their citizenship status and in accordance with the conditions and norms stipulated by Russian legislation. However, pensions cannot be lower than the minimum pension in Estonia.

Article six of the agreement establishes that "military pensioners and members of their families, including invalids and participants in the 1941-1945 war, enjoy civil and political rights and liberties as well as social and cultural rights in accordance with commonly recognized international legal norms of human rights on the territory of Estonia."

The agreement records the right of military pensioners and members of their families to own, use, and dispose of property, including residential houses, appartments, dacha, and garden houses and garages on terms of equality with Estonian citizens. Estonia has also recognized the right of military pensioners to use living- space on terms common to Estonian citizens.

The agreement reinforces the rights of those military pensioners who wish to move to a permanent place of residence in Russia. Among other things, all of their property may be removed free of customs duties and other taxes.

The Estonian party recognizes the right of pensioners and members of their families to medical treatment, including fitting of false limbs on common terms. Russia takes the payment for this service upon itself. Pensioners and members of their families may receive education in Estonia's higher and secondary special and general education establishments on common terms.

Duma Official Comments

LD2707162594 Moscow INTERFAX in English 1315 GMT 27 Jul 94

[Text] The treaty on the withdrawal of Russian troops from Estonia and agreements on social guarantees for Russian military retirees living there signed recently are only the beginning of efforts to resolve the issue of ensuring the rights of Russian speakers in Estonia. This viewpoint was expressed by the chairman of the State Duma Committee for International Affairs, Vladimir Lukin.

The problem related to "forcing our compatriots out of Estonia in one way or another" and treating them as second- class citizens has not been resolved, and Russia must not back down until the matter is settled, he told Interfax on Wednesday.

Lukin said Russia should use every means—economic, cultural and international influence, to make "the other side" realize that the "absence of our troops does not mean that we will tolerate actions taken against the non-Estonian speakers."

The fact that the direct conflict was settled by the signing of the agreement on withdrawing the "symbolic remnants of our troops" and on providing equal rights for Russian military retirees is positive, Lukin said. He noted that this concerns only a small group of people - about 22,000 - in the 600,000-strong Russian community. Furthermore, the agreement contains ambiguous provisions to the effect that Estonia may refuse to grant residence permits to some people on the grounds that they "had worked at the wrong place," Lukin said.

Commentary Views Agreement as Estonian Win

LD2707144794 Moscow Radio Rossii Network in Russian 1000 GMT 27 Jul 94

[Commentary by correspondent Vitaliy Buzhuyev]

[Text] Assessing on Wednesday the results of the talks with the Estonian president, Boris Yeltsin sounded like an Indian leader when he spoke about himself in the third person. The Russian president, he said, had achieved what he wanted in the Russian-Estonian talks. He defended the rights of military pensioners, he said. We managed to make sure that the rights of the military pensioners will be the same as those of Estonian citizens, Yeltsin said victoriously.

At the same time, the Estonian president has been talking about his own victory. If Estonia had a Chicago-style stock exchange, Estonian shares would have rocketed following the Estonian-Russian summit, Lennart Meri said. However, according to Estonian legislation, the head of state has no right to sign interstate agreements or treaties. This why the first omen, in the form of Prime Minister Mart Laar, emerged right away. Speaking on Estonian radio, he stressed that Estonia had reserved the right to decide who among the 10,000 Russian military pensioners would be allowed to stay in Estonia. He said resident permits would not be given to those who presented a threat to Estonia's state security.

This is a paradox, but in the view of the Estonian prime minister, most of the Russian military pensioners present a threat to state security. In the meantime, the fate of each pensioner will be considered individually. As you understand, this is a prolonged process, and it will take much longer than Russia will need to withdraw all of its troops from Estonia.

Following yesterday's talks, they will be withdrawn by 31 August. Thus, however much Russia tried to link this issue with the definition of the status of Russian military pensioners, their fate does not depend on the deadline for Russia's troops withdrawal. So, whose diplomatic victory was it, then? Certainly not Russia's.

The ethical aspect of the problem is also of importance. Could the issue of the pensioners' fate be used as an argument in a political row? This is even considering that one cannot hope to keep one's hands clean in politics. A joke from the Brezhnev era comes to mind for some reason. It says that the USSR paid for each sack of U.S. wheat by allowing one Jew to emigrate. Of course, now, however, to all appearances, there will be no problems with U.S. wheat. Bill Clinton said he was ecstatic over the agreements reached by Russia and Estonia.

Reportage on Ukrainian Legislator Moroz' Visit

Talks With Kozyrev

LD2707143294 Moscow ITAR-TASS World Service in Russian 1320 GMT 27 Jul 94

[By ITAR-TASS diplomatic correspondent Vladimir Suprun]

[Text] Moscow, 27 Jul—Russia always wants to develop special relations with Ukraine, said Andrey Kozyrev, receiving Oleksandr Moroz at the Russian Foreign Ministry today. The Russian foreign minister has described the meeting with the head of the Ukrainian parliament "as a good opportunity to find out how things are in the closest neighbor country."

The presidential elections in the Ukraine, as the head of Russian diplomacy is inclined to believe, have demonstrated the sentiments of that independent country, which wishes to develop close relations of neighborliness with Russia. This is in keeping with the sentiments of Russians.

Moroz has said that at the center of the conversation is the preparation of a broad treaty between Ukraine and Russia.

Talks With Chernomyrdin

LD2707125994 Moscow ITAR-TASS World Service in Russian 0611 GMT 27 Jul 94

[By ITAR-TASS correspondent Aleksandr Demchenko]

[Text] Moscow, 27 Jul—Ukrainian Supreme Council Chairman Oleksandr Moroz hopes for "fraternal relations between Ukraine and Russia." The speaker said that he was once again convinced that this would be the case during a meeting that he had on Tuesday with Viktor Chernomyrdin, head of the Russian Government. Moroz, who is in Moscow at the moment, told journalists about this today.

Moroz said that a wide range of problems connected with the future development of relations between Ukraine and the Russian Federation had been discussed at his meeting with the chairman of the Russian Government. "Common ground was reached in our assessments of all of the issues considered," he said. The conclusion was unambiguous: Mutual cooperation between our states needs to be strengthened and extended, and joint ventures, banks, and varied transnational corporations need to be set up with Ukrainian and Russian capital and with capital from other countries. In this way, cooperation in the economic sphere will have sound prospects, and these prospects may be exploited effectively," Moroz stressed.

He reported that Chernomyrdin had confirmed his intention to help with the creation of a Ukrainian bank in Russia. This is in Ukraine's interests. The Crimean issue was also considered during the meeting. Both parties agreed that Crimea was Ukrainian territory.

Special attention was devoted during the meeting to the forthcoming signing of a wide-ranging agreement on friendship and cooperation between Ukraine and Russia. A version of this document is already more or less finished. The Foreign Affairs Ministries of Ukraine and Russia will be instructed to reach agreement on this document. There are also plans to sign the treaty during Russian Federation President Boris Yeltsin's official visit to Kiev. Moroz said that the head of the Russian state had already agreed to this.

Talks With Rybkin

LD2707163194 Moscow INTERFAX in English 1315 GMT 27 Jul 94

[Text] State Duma Speaker Ivan Rybkin told Ukrainian parliament Speaker Oleksandr Moroz on Wednesday that an economic union between Russia and Ukraine was a top-priority task, the State Duma's press service told Interfax.

Moroz said in his turn that "relations between neighbors require prompt regulation."

The Russian and Ukrainian deputies supported the idea of coordinating their actions, which in their opinion could broaden friendly cooperation and promote the economic reform in Russia and Ukraine.

Rybkin and Moroz stated that the problems of Crimea's status, the future of the Black Sea Fleet, mutual payments and customs agreements could be solved without creating any supra- national bodies.

The two officials agreed that the Russian-Ukrainian inter- parliamentary commission should begin consultations soon.

Rybkin Comments on Talks

LD2707131294 Moscow ITAR-TASS in English 1249 GMT 27 Jul 94

[Text] Moscow July 27 ITAR-TASS—"The creation of an economic union between Russia and Ukraine must be seen as an urgent task," State Duma Chairman Ivan Rybkin said during a meeting between the parliamentary delegations from the two countries in Moscow today.

The press service of the lower house of the Russian parliament reported today that in the course of the talks parliamentarians of the two countries agreed that their domestic legislation hampers the development of cooperation between Russia and Ukraine. They pledged to coordinate more closely their law making activity and to set up a Russian-Ukrainian inter-parliamentary commission for the purpose.

The State Duma press service also reported that the two delegations discussed the problems of the Crimea and the Black Sea Fleet. However, the press release issued after the talks says that "these and other questions do not call for the establishment of any supra-national organs".

Shumeyko Comments on Talks

LD2707145494 Moscow ITAR-TASS World Service in Russian 0829 GMT 27 Jul 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow, 27 Jul—Vladimir Shumeyko described today's meeting with the Ukrainian parliamentary delegation led by speaker Oleksandr Moroz as a friendly and open conversation that made it possible to discuss "practically the entire spectrum of relations between the two states." Yuriy Algunov, head of the Federation Council press center, told an ITAR-TASS correspondent that the head of the Federation Council had specifically noted the participants' full coincidence of views on the role of Russia's and Ukraine's parliaments in developing bilateral relations.

The Crimean problem was also discussed at the meeting. According to Shumeyko, "the sides agreed the parliaments' approach to the issue."

Communique With Ukraine Signed on CIS Institutions

LD2707193594 Moscow INTERFAX in English 1809 GMT 27 Jul 94

[Text] Russia and Ukraine are prepared to work for the improvement of the efficiency of the CIS institutions aimed at integration in the economic, humanitarian and other fields. A communique to this effect was signed Wednesday by Russian State Duma Chairman Ivan Rybkin and Ukrainian Parliament Chairman Oleksandr Moroz at the end of a meeting of parliamentary delegations from the two countries.

Moroz said at a news conference in Moscow on the same day that his visit to Moscow and talks with the Russian Prime Minister Viktor Chernomyrdin, Foreign Minister Andrey Kozyrev and Chairmen Vladimir Shumeyko and Ivan Rybkin of the two houses of the Russian parliament opened wide vistas for cooperation between the authorities and political bodies of the two countries.

Rybkin said that one important decision made at the talks was the revival of a Russian-Ukrainian Interparliamentary Commission which, he hoped, would not allow the legislations of the two countries to diverge. An economic alliance of Russia and Ukraine must have a reliable legislative backing.

Asked about the outlook for the restoration of the USSR, Moroz said that today it was improper to talk about this. In his view, whoever does not regret the disintegration of the Union has no heart but whoever believes that the Union can be restored by a mere vote has no brains.

Moroz insisted that Crimea was a Ukrainian problem and so this issue was not mentioned in the communique which covered bilateral relations.

No Data To Confirm DPRK Defector's Statement

LD2807094994 Moscow ITAR-TASS in English 0825 GMT 28 Jul 94

[By ITAR-TASS correspondent Ivan Zakharchenko]

[Text] Seoul, July 28 (TASS)—South Korea has no data that would confirm a statement, made on Wednesday by yet another North Korean defector, who described himself as a relative of the head of the Pyongyang government, that North Korea already has available five nuclear munitions, sources in the South Korean Agency for National Security Planning (ANSP) told ITAR-TASS on Thursday.

The testimony given by Kang Myong-do, 36, a former North Korean foreign trade official, require additional confirmations. South Korean secret services now look for corroboration of the defector's statement through appropriate channels, the sources said.

The defector, referring to a third person, told a press conference here on Wednesday that North Korea had ostensibly developed about five nuclear warheads, seeking to produce ten and declare that for the whole world to hear, pressing for political advantages in the talks with the United States.

The defector's remarks caused an upheaval in South Korea which is concerned at the unpredictability of the development of the situation on the Korean peninsula in view of the recent death of North Korean president Kim Il-song.

The South Korean Defence Ministry declines comment on the defector's pronouncements, pleading the lack of ways to verify them. The Foreign Ministry believes that Kang Myomg-do cannot be regarded as a reliable source. The Ministry for National Reunification also regards information received from the North Korean defector as insufficient but it does not rule it out that what he said may turn out to be true, considering his status.

Experts believe that Pyongyang needed about 40 kg of enriched plutonium to develop five nuclear munitions, whereas, according to intelligence data available with Seoul, North Korea could produce the maximum of 15 kg at the Yongban Nuclear Centre, which would be sufficient only for two bombs.

At the same time the possibility is assumed that plutonium could be also obtained at other facilities unknown to the world. According to a number of analysts from Seoul governmental agencies, in principle, nuclear warheads could well be produced in the north without testing to ensure secrecy.

Leaders of South Korea's ruling Democratic Liberal Party conferred on Thursday and decided to urge the government to make additional efforts to find out the nature of North Korea's nuclear programme in the past and a more caucious approach to Pyongyang.

The opposition democratic party, for its part, insists on an urgent examination of the question of whether the defector's statements in parliament are veracious.

North Korea, for its part, denied the defector-given data outright. Pyongyang Radio branded him as an "impostor" in response to his assurances that he is a son-in-law of Kang Song-san, premier of the administration council.

The Thursday editions of Seoul-based newspapers published a photograph which the defector brought with him, showing him and his wife Kang Hi-yong alongside the premier. According to a senior official of the ANSP, Seoul secret services had an opportunity to verify that Kang Myong-do is really the husband of the daughter of the North Korean premier.

Seoul also took note of the fact that Premier Kang Song-san, who is Pyongyang's third most important person, did not appear on Wednesday among official participants in activities marking a regular anniversary of the end of the Korean war (1950-1953).

Embalmers Preparing for Visit to DPRK

LD2807082694 Moscow ITAR-TASS in English 0702 GMT 28 Jul 94

[Text] Moscow July 28 ITAR-TASS—A group of Russian embalmers from the biological research centre, which embalmed the bodies of Stalin, Bulgarian leader Georgy Dimitrov, Czechoslovak communist chief Klement Gotwald, Vietnamese leader Ho Chi Minh and Angola's Agostinho Netto, is getting ready to leave for North Korea, Moscow news weekly learned from a reliable source.

Its next task is embalming the body of the late North Korean leader Kim Il-song.

Deputy director Yuriy Denisov-Nikolskiy of the research centre, dubbed by specialists "Lenin Laboratory" is already in Pyongyang.

According to the same source, the cost of the project is 300 thousand American dollars.

Grachev Confirms Joint U.S.-Russian Exercises in Sep

LD2807101494 Moscow ITAR-TASS World Service in Russian 0900 GMT 28 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow, 28 July—The joint Russian-U.S. exercises of the peacekeeping forces will be held at Totskoye in September in keeping with the agreements signed earlier, Russian Defense Minister Pavel Grachev told journalists today after the meeting of the Russian Federation Government.

The Russian defense minister has described people's unwillingness to allow the U.S. servicemen on Russian territory as a "disease of the past." The State Duma was against the joint exercises in Russia. As a result, the exercises scheduled for July were cancelled. The Americans then proposed holding them on their own territory.

However, Pavel Grachev stressed, this would not only damage Russia's international prestige but was also connected with a major expenditure for the Defense Ministry. Thus, he said firmly that the joint Russian-U.S. military exercises would be held this September.

Totskoye, in the southern Urals, was a test site for Soviet nuclear weapons 40 years ago. However, the radiation levels today do not present any risk.

Radio Comments on U.S. Aid for Russia

LD2707214594 Moscow Radio Moscow World Service in English 1910 GMT 27 Jul 94

[Text] The Senate and the House of Representatives at the U.S. Congress are considering a foreign aid bill for the next fiscal year. There are plans to allocate about $850 million out of a total sum of $13.7 billion to Russia and other former Soviet republics. Our commentary is by Vladislav Kozyakov.

When Washington sometime ago made public its promises to give Russia assistance worth billions of dollars in the next few years, as an American journalist wrote, people began dancing in the streets, but not in Russia. The event was celebrated by American consultants. The same journalist wrote that they would take the biggest slice of the aid.

More details on this score have become known. Reports say dozens of American consulting companies take from between 50 to 90 percent of the U.S. Government's allocations for certain aid contracts. Professor Marshall Goldman from Wellesley College has told the Senate Bank Committee [as heard] that the aid to Russia in the hands of American consultants was of little help to Russians or even that there was no aid whatsoever. This opinion seems too categorical.

There are a number of complimentary remarks about the activities of American specialists and firms. However, the realization of aid projects is far too slow. Official reports issued in Washington for assistance to Russia and other newly independent states has already been spent [sentence as heard]. There were a lot of words in the United States about the importance of helping democratic reforms in Russia. Many said that for the Americans to help Russia meant to help themselves. However, the promises were not to materialize. Perhaps the explanation is in the concept for foreign aid which were formed in the United States during the Cold War. The principles of these concepts are out of date. They can hardly be applied to Russian-American relations.

It's the accepted order in the United States that the lion's share of funds allocated for foreign aid is spent to pay for American specialists, American goods, and guarantees for American exporters. Such an approach can hardly be used in relations with Russia, which is interested in the application of its own economic potential. There can be no success in any attempt to use the U.S. aid as a means of pressure on Russia in any political aspect. Such methods are from the past and cannot be used especially in relations with Moscow. During the debates in the Congress on foreign aid, matters of principle were raised. The U.S. aid to foreign countries must promote development, trade, and investment. In these spheres cooperation between Russia and the United States may prove to be fruitful.

Foreign Ministry Official on Relations With Syria

LD2707162094 Moscow INTERFAX in English 1349 GMT 27 Jul 94

[From the "Diplomatic Panorama" feature]

[Text] The allegations that Russia was not invited to the ceremony of signing the Jordanian-Israeli Declaration in Washington are groundless.

As the Deputy Chief of the Russian Foreign Ministry's Middle East and North Africa Department, Viktor Gogitidze, told Interfax, the U.S. Secretary of State, Warren Christopher, had sent the corresponding invitation to Foreign Minister Andrey Kozyrev. "But at that time the head of Russian diplomacy was in Bangkok, attending a conference of ASEAN foreign ministers. So his deputy, Boris Kolokolov, was "delegated" to Washington," he noted.

According to Gogitidze, as the co-sponsor of the peace process, Russia was the only foreign country represented at the ceremony in Washington.

With reference to the prospects for settling the Arab-Israeli conflict Gogitidze expressed concern over the lack of progress in the Syrian and Lebanese directions. "A lasting peace in the Middle East is impossible without tangible progress in these directions. It's extremely hard to achieve it," he said.

As Gogitidze said, "in its contacts with the Syrians Russia seeks to find a formula that would make it possible to untie this complicated knot." "What was achieved in the past two and a half years makes it possible to hope that progress will be reached. Since last January President Boris Yeltsin has sent several messages to President Hafiz al-Asad and received answers to them," he said. "We intend to continue our contacts with the Syrians on all levels—primarily in terms of furthering bilateral relations. This is the lever that will contribute to progress at the Syrian-Israeli talks."

With reference to military cooperation with Syria Interfax's interviewee said that 90 pct of Syria's military equipment is of Soviet make. "It's natural that Syria has a great interest in this respect. We also hope that our cooperation in this area will be continued, taking into consideration today's realities in Russia and in the Middle East," he added.

Russia has invited Syria's Foreign Minister, Faruq al-Shar' to visit Moscow or meet with the head of Russian diplomacy elsewhere. "The need for such contact is understood. It only remains to agree on the time and place for a conference between the two countries' foreign ministers," he said.

Gogitidze believes that the Syrian and Lebanese directions are closely connected. "Progress in the Syrian direction would be conducive to movement forward also in the Lebanese direction, even though the latter has its own specificities," he noted.

'Leading Role' in Mideast Peace Opined

MM2707103994 Moscow KOMSOMOLSKAYA PRAVDA Russian 27 Jul 94 p 7

["Our Commentary" by Dmitriy Kulik: "'Giant Steps' to White House Lawn"]

[Excerpts] The King of Jordan and the Israeli premier have decided to be reconciled in Washington.

Once again the White House lawn in Washington has been the scene of a sensation. King Husayn of Jordan and Israeli Prime Minister Yitzhaq Rabin signed a Declaration on the Normalization of Relations and the Principles for Economic Cooperation Between the Two Countries. The two former enemies, who took a direct part in the war, shook one another by the hand and delivered peaceable speeches. [passage omitted]

Washington is making no secret of its delight at the signing of the declaration, which U.S. Secretary of State Warren Christopher called a "giant step" in the peace settlement process. It is not only the political victory of their diplomacy that is important for the Americans here, but also the fact that the U.S. "friend and ally," Israel, will emerge from isolation in the Near East.

At the moment Arab countries are taking a restrained view of these events. That is the stance espoused by perhaps the main participant in the Arab-Israeli talks—Syria. Its demand of "land for peace" or, to put it more simply, the return of the occupied territories in exchange for peace, remains in force.

But what is Russia's role in this Near East achievement? During the coming stage of the negotiating process Russia may play a leading role given its long-standing ties with Syria, Lebanon, and the PLO. Incidentally, this idea was also confirmed at a press conference held in Moscow yesterday to mark the 50th anniversary of the establishment of diplomatic relations between the Soviet Union, Lebanon, and Syria. It was stated that there has been an increase not only in economic but also in military cooperation between our countries. Washington is clearly taking this into consideration. Secretary of State Christopher is constantly emphasizing, sincerely or not, that Russia is just as much a sponsor of the talks in the Near East as the United States.

U.S. 'Understanding' Needed of Mideast Role

MM2807091794 Moscow RABOCHAYA TRIBUNA in Russian 27 Jul 94 p 1

["Topical Commentary" Yevgeniy Rusakov: "The Washington Lawn Once Again"]

[Text] A definite tradition has emerged in Near East policy in recent years. All the wars have been fought in the Sinai desert and in the hills on the border between Syria and Israel. But all Near East peace ceremonies take place on the green lawns around the White House.

Journalistic fate decreed that I should be in Washington for the two main ceremonies—the Camp David ceremony and the Palestinian-Israeli ceremony. In general it has been a rare event to see a blue, red, and white marquee near the White House on Pennsylvania Avenue—the north side of the White House has not really been used in this century. The historic reconciliation between Palestinians and Israelis took place on the South Lawn in the presence of a fairly large crowd of people, which included Russian Foreign Minister Andrey Kozyrev in the truly honorable capacity of representative of the country which is co-chairman of the International Conference on a Near East Settlement.

Following in the footsteps of Egyptian President Anwar al-Sadat, who signed the peace agreements with Israel, and after the "great handshake" between PLO Leader Yasir 'Arafat and Israeli Premier Yitzhaq Rabin, Jordan acceded to the process "in motion." This year's signing of the Washington Declaration was a truly important step on the road to what has been described for decades as a comprehensive Near East peace settlement.

Nevertheless, King Husayn is determined not to sign a peace treaty. The termination of a state of war is a postwar fashion ushered in by Soviet diplomacy—in relations with Germany and Japan. The bone of contention was the territorial issue. This is also one of the main unresolved problems in relations between Jordan and Israel, but it is comparatively simple in nature.

The Washington Declaration envisages the normalization of relations between the two countries in political, economic, and other spheres.

For King Husayn this is a game targeted at writing off Jordan's debts to the Americans and the "sins" of a kingdom which supported Saddam Husayn at the time of Iraq's invasion of Kuwait.

Israel is counting on "speeding up the process of a Near East peace settlement"—something which Israeli Premier Yitzhaq Rabin mentioned openly in his speech on the White House lawn.

There remains one important "refusenik"—Syria's President al-Asad. Bargaining is under way over the complete withdrawal of Israeli troops from the Golan Heights, the full recognition of Israel by Damascus, and the establishment of diplomatic, political, trade, and other relations.

As yet, the progress of behind-the-scenes haggling is hard to evaluate. The Near East is one of the few happy exceptions where the end of the Cold War did not hinder but rather helped in finding a solution to one of the oldest regional conflicts. Russian diplomacy is also aspiring to act more vigorously in the Near East. As yet, without any particular success. There remains hope for the upcoming American-Russian summit meeting in September, and for Washington's common sense in the understanding of a partnership with Moscow.

Hungarian Air Defense Inspector Begins 3-Day Visit

MM2707130194 Moscow KRASNAYA ZVEZDA in Russian 27 Jul 94 p 3

[Report by Lieutenant Colonel Viktor Beltsov of the Air Force Press Center: "Hungarian Inspector Interested in S-300 Antiaircraft Missile Launcher"]

[Text] Major General Bela Balogh, the Hungarian Army's general aviation and air defense inspector, arrived in Moscow 26 July on a three-day visit. The Hungarian guest was welcomed by Colonel General of Aviation Petr Deynekin, commander in chief of the Russian Air Force. During a conversation they discussed questions of bilateral military-technical cooperation. The Hungarian delegation will visit an Air Defense installation, where they will be acquainted with the S-300 antiaircraft missile launcher.

Kozyrev Meets With Armenian President in Moscow

LD2707200794 Moscow INTERFAX in English 1628 GMT 27 Jul 94

[Text] The Russian Foreign Ministry told Interfax that Russian Foreign Minister Andrey Kozyrev today met Armenian President Levon Ter-Petrosyan who is currently on a private visit to Moscow.

They discussed Russian-Armenian relations and problems concerning the settlement of the Karabakh conflict.

The Russian Foreign Ministry said that Ter-Petrosyan had left for Yerevan this afternoon.

Kozyrev Meets With Brazilian Official

LD2707165294 Moscow ITAR-TASS World Service in Russian 1420 GMT 27 Jul 94

[By ITAR-TASS diplomatic correspondent Vladimir Suprun]

[Text] Moscow, 27 Jul—Relations between Russia and Brazil have been developing rather well, but there is room for raising the level of their activity, Russian Foreign Minister Andrey Kozyrev said today in a conversation with Roberto Abdenur, deputy head of the Brazilian foreign policy department. The Brazilian diplomat is in Moscow in order to speed up the preparation of intergovernmental and interstate agreements and treaties in various spheres and to check up on the implementation of the documents signed earlier.

In Kozyrev's opinion, there are good opportunities for the development of bilateral relations in the economic, scientific, technical, and military-technical spheres. Both sides have a lot of work to do in the time before November when Brazilian Foreign Minister Selso Amorim is expected to visit Russia, Kozyrev said. "We must create a good basis, and lay a certain critical foundation to make this visit successful," Kozyrev stressed.

Brazil To Buy Armaments

LD2807101194 Moscow Radio Rossii Network in Russian 0800 GMT 28 Jul 94

[Text] Russia is interested in Brazil buying new Russian weapons. Thus, Yevgeniy Kuzyakin, head of the delegation of the state company Rosvooruzheniye, commented on the aims of his visit to this large South American country. In an interview to an ITAR-TASS correspondent in Brazil, he stated that the delegation had coordinated the dates and conditions for supplying over 100 Igla [needle] anti-aircraft rocket-launching complexes, the contract for the sale of which was signed by the Brazilian side at the end of May.

This deal became the first instance of Brazil buying Russian military technology in the entire history of bilateral relations.

Yeltsin Supports Space Crew Environment Crusade

MM2707105394 Moscow TRUD in Russian 27 Jul 94 p 1

[Unattributed report including text of Russian President Yeltsin's message to the international environmental expedition: "Space Mission to Taiga. Boris Yeltsin Greets Expedition of Cosmonauts Striving to Draw Attention to Problems of Improving the Health of Our Sick Earth"]

[Text] Our newspaper has already reported that an international environmental expedition of cosmonauts headed by the well-known traveler Jacek Palkiewicz sets off for Siberia 28 July. Taking part in the expedition, which is being staged under the auspices of the TRUD Editorial Board and the Moscow City Bank, are the cosmonauts Sigmund Jenn (Germany), Vladimir Remek (Czech Republic), Clemens Lothaler (Austria), Anatoliy Artsebarskiy (Ukraine), and Gennadiy Manakov (Russia).

Russian President Boris Yeltsin yesterday sent a farewell message to the expedition participants. We are publishing the text:

"Dear Friends, Explorers of Space and Earth!

"You are leaving on a difficult and necessary expedition to Siberia, a land where nature is harsh and rich. I support your desire to draw the attention of people, governments, and international organizations to the problems of nature conservation.

"Through your dangerous work as cosmonauts you have already served the cause of progress many times. You now want to draw mankind's attention to the dangerous aspect of the intensive and uncontrolled use of nature. I hope that your expedition will help us to gain a deeper understanding of the complex interplay between progress, nature, and human life, and will teach people to take a moral attitude to our planet's flora and fauna.

"I wish you success in your work. May its results serve to promote the mass movement for the earth's environmental regeneration.

"[Signed] B. Yeltsin
"[Dated] 26 July 1994"

Political Issues

Results of Yeltsin Trip to Krasnoyarsk Previewed

MK2807085294 Moscow KOMMERSANT-DAILY in Russian 28 Jul 94 p 3

[Report by Dmitriy Kamyshev, commentary by the Economic Policy desk: "Boris Yeltsin's Tour of Krasnoyarsk. President Off To Inspect Siberia"]

[Excerpts] One can hardly expect surprises from Boris Yeltsin's three-day visit to Krasnoyarsk Kray begun yesterday. Since the Siberians needs are not particularly different than the wants of people in the Far East whom the president visited in mid- June, one might suppose that this time around too Boris Yeltsin will promise to the hospitable hosts some good things. The list of promises for that matter will most probably remain unchanged: credits for the peasants, state orders for defense industry workers, foreign investments to the loggers. [passage omitted]

Commentary: The president's trip to Krasnoyarsk Kray is rather noteworthy from the viewpoint of economic policy. The northern raw material regions are especially important for the federal government because raw materials export remains, as before, the only source to replenish Russia's hard currency resources. Besides, at present, when it is impossible to support enterprises from the budget, the key idea of the Russian authorities consists in inviting private investments in industry. Quite obviously, the mining enterprises of Krasnoyarsk Kray are among the few in which investors (foreign investors included) may be really interested. Therefore the government views the region's industry as a trump card of sorts.

For example, shares of the "Norilsk Nickel" association were put on the check auctions precisely at a time when it was necessary to demonstrate a successful completion of voucher privatization. This time around too, in the course of the just begun privatization-for- cash stage, it is this association and similar enterprises that the government is counting on. The situation, however, is peculiar in that the regional authorities and the chiefs of enterprises know full well of this interest on the part of the center, and therefore they are taking some liberties. One possible example is the conflict the "Krastsvetmet" [non-ferrous metal] refining plant is having with the State Committee for the Administration of State Property. The plant backed by the head of the Krasnoyarsk Kray administration Valeriy Zubov protested the decision to privatize it as a branch of "Norilsk Nikel."

Moreover, Valeriy Zubov stated that floating "Norilsk Nikel" constitutes a threat to the country's economic security. The local authorities' attempts to wrench economic concessions from the center are quite natural. In the course of his visit, Boris Yeltsin is most likely to try and show attention to the problems of industry in Krasnoyarsk Kray and will perhaps even promise somewhat more extensive federal financial aid. The local administration's pressure will nevertheless hardly persuade the center to make important concessions on the fundamental issues—especially in the matter of control over privatization.

Yeltsin Said Readying Draft Law on Crime

MM2807095794 Moscow IZVESTIYA in Russian 28 Jul 94 p 2

[Article by Leonid Nikitinskiy of IZVESTIYA: "Which Is Better: Electric Chair Or the Wheel? New Draft Law on Combating Organized Crime"]

[Text] While the State Duma is resting, exhausted by the recent spurt of legislation, strategic thinkers in the presidential team have been continuing to work on measures to combat organized crime—since the chamber, despite the efforts of its Security Committee, failed to give its first reading to the corresponding law, the president has an opportunity to grab the laurels, which also promise to bring support from voters.

The editorial office has obtained a draft law on combating organized crime prepared by the State Legal Administration and other presidential structures which, according to certain claims, has been okayed by the leaders of "power" structures and will be submitted by the president to the next session of parliament as an alternative to both V. Ilyukhin's Duma version and his own presidential edict, which is now in force.

Let us remind you how the fight for the initiative in this form of competition known as the fight against organized crime developed. On 14 June the president published (at the prompting of the "power" ministers and without going through the usual procedure of smoothing out rough edges in his own staff) the instantly famous edict "On Protecting the Population From Banditry and Other Manifestations of Organized Crime," which evoked a reaction of sharp rejection from the Duma. However, while right-wing factions headed by "Russia's Choice" condemned it on the basis of its content as anticonstitutional and a violation of human rights, left-wing factions headed by the Communists, in opposing the edict with their own draft of a similar law, endeavored not to advertise the fact that the drafts are essentially identical twins.

The text of the new presidential draft makes it clear that this branch also stems from the same root, namely the draft of Rozalin Dolgovaya, professor at a Prosecutor's Office research institute, which was once shelved by the Supreme Soviet because of its clear failure to meet international human rights agreements. The most basic difference between the president's draft and the Duma's is that it naturally does not provide for an organ like the parliamentary Committee for the Fight Against Organized Crime but proposes that cases involving the "mafia" be handled exclusively by specialized components set up within the structures of the Prosecutor's Office, Federal Counterintelligence Service, and Ministry of Internal Affairs. Thus the president would retain control in this sphere, which often merges with big-league politics.

The presidential draft is essentially identical to the Duma's when it comes to defining the concepts of organized group, criminal community, and so forth, and therefore also in the form of the relevant articles proposed as additions to the Criminal Code. A general shortcoming shared by the two drafts is their basic approach: Haphazard patching of a particular section of the old 1964 Criminal Code, which was adopted around the time of the Kosygin reform, without conceptual updating of the general part of the Criminal Code is all the more ineffective in that, according to existing schedules of legislative work, the president is intending at long last to submit an entire new Criminal Code to that same fall session of parliament.

In his draft, which differs little from the Duma's in this respect, the president agrees with the right of specialized organs to inspect the buildings and offices of enterprises and organizations regardless of their forms of ownership, which is essentially tantamount to unsanctioned searches, and with their right to examine not only vehicles but also drivers and passengers, which is tantamount to personal searches. It is proposed to permit a number of actions that essentially belong in the sphere of criminal investigation rather than preliminary inquiry even before a criminal case is opened and without these actions being formally reflected in the case papers.

The section about preventing the legalization of criminal income and "administrative and civil liability for its legalization" deserves particular attention. Because this section does not speak of criminal liability, within which context there are certain well known principles such as the presumption of innocence that must be observed, the authors of the draft clearly think that absolutely anything goes. The section opens up banking and commercial secrets and directly encourages financial structures to denounce their clients if even the vaguest suspicions arise.

Given sufficient (?) information regarding the unlawful nature of the income of both corporate bodies and individuals, their accounts and movable and immovable property can be sequestrated for a period of up to one month. During this time the suspect must present proof that the property was lawfully acquired, otherwise it is confiscated in favor of the exchequer. This provision essentially establishes in civil law a presumption of guilt on the part of the receiver of income which will be "activated" by arbitrary decision of an administrative organ on the basis of "sufficient data," interpreted as meaning whatever you like.

Along with these resolute measures the presidential draft does establish some controls on the actions of administrative organs, which is especially striking when you compare it with the presidential edict. Thus, while still giving them the right to detain persons suspected of involvement in organized crime for up to 30 days, the draft insists that a judge's approval be secured within 48 hours. So it becomes difficult to bring about protracted detention on the basis merely of suspicion unbolstered by even minimal evidence.

In other words, by comparison with "Ilyukhin's" draft circulating in the Duma and, still more, by comparison with the 14 June edict, the new presidential draft is nevertheless less far from generally accepted human rights standards. It can be said to be more humane than earlier similar documents by approximately the same extent that execution by electric chair is more humane than the wheel.

'Exclusive' Interview With Aleksandr Rutskoy

LD2707214394 Moscow INTERFAX in English 1748 GMT 27 Jul 94

["Exclusive" report No. 30 of 80]

[Text] A founding meeting of an interregional association of parliamentary and local council deputies recently held in Moscow was attended by many well-known opposition figures. They included former Russian vice president ALEKSANDR RUTSKOY, today's leader of the Derzhava (State) movement, whose objectives and plans he expounds below in an interview with Interfax correspondent Anatoliy Zhuravlev.

INTERFAX: What is your attitude to the idea of mutual reintegration of former Soviet republics? What role could you play in that process?

RUTSKOY: My task is to make Derzhava an active social patriotic movement. Its ultimate aim is to revive Russia as a great power within the borders of the former Soviet Union through the free will of the peoples living on this territory.

We cannot accept the idea of confederations or commonwealths, because they are unable to ensure stability on the territory of the former Soviet Union.

How can you talk about collective security when there are local wars going on close to Russia. There's no army, it's been ruined. There's no single economic area or ruble zone. Russia looks like a one-way street: a lot is being taken out of it and nothing is coming back. Ethnic Russians in other republics are treated as second-rate people and deprived of elementary human rights. Our people are being driven out of republics which have become sovereign, but they need accommodation, food and work. At the same time, all those states use Russian raw materials, oil, gas, and electricity. We should put an end to that.

We should revive the country as a great power, bringing various peoples into a single family and making them a single nation. That is the only way to achieve stability and form a single economic space and ruble zone that work.

We propose a gradual, totally civilized way to attain our goal. No compulsion. Those willing to become incorporated into Russia are most welcome to do so. And as for those who are not, and who hurl abuse at Russia into the bargain, we should cut off all our supplies to them, give them no electricity, and so on, and then send them messages of congratulations on their complete sovereignty and independence. In two months those regimes would be overthrown by the people.

In any case, relations with those who don't want to be parts of a single Russian state will be based on international standards. Trade would be based on world prices, and there would be customs duties and all the rest that goes with it.

In two to three weeks we shall publish a program of our movement, in which we shall make a more detailed exposition of the methods we wish to use to revive our great power.

By the way, one of the authors of the program is Ruslan Khasbulatov, chairman of the former parliament. I actually see him quite often. He helps us as an academic but not as an active politician.

Q.: Who are your allies?

A.: During my recent tour of eight regions of Russia, I had large audiences and was given stormy applause, so judging by that practically all sensible people support our ideas.

I'll be perfectly straightforward: the main goal of the Derzhava movement is power. If we have power things will start being done. This may become a reality as early as in 1995. Our minimum task is to get a majority in parliament. That will be followed by the next stage.

Our movement is being formed at the grassroots. I travel around Russia, explaining to people what has happened, telling them about our program, telling them who should do what and what every family and the whole society would gain from it. And people approve of our ideas. At this first stage, 45 regional branches of Derzhava have been set up. In just six weeks, 462 applications have come in (we have registered personal membership, with passport data and so on).

I'm sure that this December we'll meet and talk under different circumstances. I think the first stage of the formation of Derzhava will be over by then. We have a charter, a declaration and the discussion of the program in the provinces is coming to an end.

The main thing for us is to have our ideas understood by people and supported by the majority. Even the formula of real socialism as a society of social justice is welcomed: after all, that means equality and use of the entire potential of the country.

Our economy has always been based on an ideology instead of having such true priorities as provision of accommodation, food, clothing, etc. We must provide conditions for everyone to have a proper life. That is the main point for our movement.

Q.: Are you prepared to become president of Russia or do you agree with those opposition leaders who say the presidency should be abolished?

A.: Today some people who call themselves members of the opposition, instead of learning their lesson from the not too distant past, namely October 1993, keep rocking the boat by setting up numerous but helpless organizations.

Instead of unification, we still see senseless debates on whether we need the presidency or not. There have been such arguments at this founding meeting of the association of parliamentary and local council deputies too.

As for the idea that we should elect a president and that he should then abolish the presidency, I see that as childishly naive.

Russia has from time immemorial been ruled by individuals, and everything depended on what each of them was like. Whenever he was a person of great integrity and loved his country as well, Russia was prosperous. When another kind of person came, Russia would get into a deplorable state, as, for example, today.

I believe that in a situation of political, social and economic instability a country should be governed by an individual who is up to the task.

Such a person can only come to power if there is a real opposition, a perfectly organized association with a leader having a clear program understandable to people. Only that kind of association can win mass support and become a really effective opposition movement.

Unity, Accord Party's Shakhray Interviewed

MM2807112594 Moscow ROSSIYSKAYA GAZETA in Russian 27 Jul 94 First Edition pp 1-2

[Interview with Sergey Shakhray, leader of the Party of Russian Unity and Accord, PRUA, by Yelena Shaposhnikova; date and place not given: "Sergey Shakhray: The Party Is Not an Assortment of Apparatchiks"]

[Text] [Shaposhnikova] Sergey Mikhaylovich, your Party of Russian Unity and Accord [PRUA] was the first to announce the start of preparations for the parliamentary elections. However, there is another viewpoint—namely, that such elections are undesirable and that the powers of the legislative and executive organs of power should be extended by a further two years. Could you explain for ROSSIYSKAYA GAZETA readers why you and the PRUA are so convinced of the need for parliamentary elections?

[Shakhray] There are real reasons both for supporting and opposing this viewpoint. The idea of the automatic extension of powers would undoubtedly appeal to a considerable section of the deputies in both chambers of the Federal Assembly. Although I am sure that the deputies do not have the right to extend their powers themselves.

[Shaposhnikova] Society's attention is now focused on the parliamentarians' attitude toward this question. In your view, how do the state organs regard the problem?

[Shakhray] The Russian Government, too, would surely not object to political stability, which, it seems to many people, would be ensured by canceling or postponing the elections. I believe that this idea has prompted serious reflection in the president's entourage, too. The most consistent supporters of postponing the elections, however, are the regional leaders. In other words, the forces in favor of an extension of powers are highly impressive. As for the arguments against this, our society is still somewhat like a steam generator in which high pressure—economic, social, and national pressure—is maintained. Elections at any level could serve as a kind of safety valve. Canceling the elections would mean shutting that valve. The consequences for society are obvious. We saw them in October 1993. The supporters of elections speak of the desirability of maintaining the dynamic development of the democratic process in the country and the need to develop the political system, which now partly consists of parties and movements. After all, without regular elections party structures atrophy.

[Shaposhnikova] So there should be elections?

[Shakhray] We have discussed all the pro's and con's within the party leadership and the parliamentary faction. We came to a clear-cut decision: Elections are necessary! We shall do everything in our power to ensure that they are held and try to perform worthily in them. In that sense we really are the first Russian party to have announced the launch of election preparations.

[Shaposhnikova] Do you not think that there is an element of logic to the arguments of the opponents of elections? After all, the elections to the local organs of power lasted many months and revealed a high degree of political apathy in Russia. PRUA was one of the political parties which suffered from that apathy, by the way.

[Shakhray] There are several reasons for that. The characteristic features of the transitional period in our country derive from the present socioeconomic situation. People's feelings about the process of economic reform are mixed. Disillusionment is increasing in the mass consciousness. The decline in production, the rise in unemployment, and the fall in the living standard are causing pessimism among significant strata of the population. The low level of activity during the election campaign this year is clear evidence of that.

Voter activeness is reduced even further by the weakness of the political authorities and the state's inability to protect its citizens from crime or to deal with corruption in the regions. The struggle between the economic and political elites for the redistribution of property is undermining the process of civil society's evolutionary reforms. In these difficult conditions the formation and development of the multiparty system are meeting with great problems and are accompanied by contradictions which, of course, do not enhance the prestige of the various parties in Russian society.

[Shaposhnikova] Perhaps it is also due to the fact that the majority of Russian parties, which do not have great experience, are unprepared to assume the burden of leadership? Youth tends to err more frequently....

[Shakhray] Indeed, the parties proved unprepared to nominate candidate deputies at regional level (that is confirmed by the figures from the Central Electoral Commission) and in the majority of cases have displayed complete bankruptcy in work with the population and labor collectives. Thus it is understandable why Belgorod, Vladimir, Novgorod, Perm, Tver, and Chita oblasts elected only one deputy each from the electoral associations to the state organs of power, while in Kemerovo, Murmansk, and Nizhniy Novgorod oblasts there wasn't a single representative of the parties and political movements among the deputies who were elected.

[Shaposhnikova] Nevertheless, some parties are successfully overcoming their "immaturity," are they not?

[Shakhray] You are right. Despite the low activeness of the parties in the elections they all managed to carve out a certain political niche. The winning trio in the recent regional elections consisted of the Agrarian Party, Russia's Democratic Choice, and the Communist Party. The PRUA is fourth among the Russia-wide parties and retained its place in Russian society's political spectrum. However, there is no cause for complacency—at the elections in December last year we polled 6.7 percent of the votes but in the local elections just 2 percent.

We fielded 149 PRUA candidates. Of those, 62 were elected. Nor is there any consolation in the fact that some other parties and electoral associations—such as the Democratic Party of Russia and the Russian Movement for Democratic Reforms—polled less than 1 percent, while Yabloko, Women of Russia, the Civic Union For Stability, Justice, and Progress, Russia's Future, New Names, Kedr, and others do not appear at all in the political spectrum of the representative organs of the Russian Federation's components. Nevertheless, no matter how grim the election results were for all the Russian parties, we cannot accept the claim that Russia is "immature" and unprepared for democracy. Russia needs democracy and thus needs parties and elections.

[Shaposhnikova] Sergey Mikhaylovich, what do you think about the creation of electoral blocs or of a single bloc of parties of a democratic orientation at the elections?

[Shakhray] Analyzing the experience of the past elections to local organs of representative power it has to be admitted that in those regions where the PRUA formed a bloc with other political structures the elections were a flop. This suggests that the PRUA must study seriously the question of its potential allies and the forms of various electoral associations and blocs. There is food for thought here. First, we have to try to answer the question: What is in the interests of democracy—creating a single bloc and then, most probably, all sink together? Or should each party clearly define its "ecological niches," find its own electorate, make clear commitments to them and then represent the whole spectrum of democratic-minded Russians in the next, the sixth, Russian Duma?

[Shaposhnikova] The recent PRUA Federal Council announced the holding of a "partywide debate on the main provisions of the PRUA program." Is that not due to the inability of your party's theoreticians to follow the lead of other parties' apparatuses and promptly produce a substantial program with sections, subsections, and all the other "architectural excesses"?

[Shakhray] That is not the case, of course. We consciously chose not to prepare the final text of the PRUA program but only drafted the "Basic Provisions." They were approved by the party's first congress in February this year. A decision has now been made to discuss this document. The party is not an "assortment" of professional party apparatchiks, representing at best various rayons of Moscow or perhaps even the "region" inside the Garden Ring. The party, and I have in mind the Russia-wide party, must harvest the opinions and experience of all the oblasts, krays, and republics. After all, it is there that the vast majority of Russian citizens lead their lives, and they must determine the future not only of Russia but also of its political parties. That is why we decided to hold a partywide debate.

[Shaposhnikova] Do you have faith in your party's cause?

[Shakhray] We have faith in the future of the PRUA—the party of the regions. We have faith in Russia's future rebirth, greatness, and prosperity. The PRUA will do everything possible to bring closer the era of Russia's rebirth.

We have "mercenary" considerations of our own, of course. We hope that the debate will activate the party building process, boost the number of party members, and catch the attention of sympathizers. We would like to involve representatives of the local administrations, leaders of industrial enterprises and business circles, and the intelligentsia in the discussion of the "Basic Provisions." We hope to find common ground on a broad range of questions, even in those places which are traditionally oriented toward other parties. We will use the "provisions" as a basis for implementing specific local programs which it is feasible to carry out in the regions. For example, the program "National Stability and the Problems of the Refugees" is being elaborated right now in Altay Oblast, in Voronezh Oblast we are working on the "Socially Oriented Economy," in St. Petersburg it is "Culture and Education," and in Tambov Oblast—"The Development of Private Farming." This is just a small part of our overall program, which will be adopted at the Second PRUA Congress in the fall.

Economic Issues

Government Says MMM Collapse 'Inevitable'

LD2807100594 Moscow ITAR-TASS World Service in Russian 0820 GMT 28 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow, 28 Jul—The collapse of the joint stock company MMM is inevitable. This became clear at today's sitting of the Russian government which considered the situation around the MMM company as the first question outside the agenda. Representatives of the Finance Ministry, the Anti-Monopoly Committee and the Tax Inspectorate said that the MMM has no enterprises and was not registered as a brokers firm at the Ministry of Finance. This means that it has been quoting illegally the prices of its shares. The company has no accounts or any list of shareholders. Records have been falsified. Despite all these abuses MMM earned four billion rubles [R] per day from the sales of its shares to gullible Russian citizens. At the same time, MMM spends R10 million daily on advertising alone.

Sergey Almazov, director of the tax police department, said that investigations revealed that the MMM management has already been converting substantial amounts of shareholders' money into hard currency and depositing it abroad.

Members of the government think that the situation around such joint-stock companies should not be overdramatized. It was also decided that the cabinet should adopt special measures to minimize the impact of the MMM collapse, which now looks imminent. To this effect the government intends to work out a legislative base for regulating the securities market and advertisements for the joint- stock companies on state television channels. The appropriate departments are being instructed.

MMM To Resume Buying Shares

LD2807033894 Moscow Mayak Radio Network in Russian 0200 GMT 28 Jul 94

[Text] From tomorrow all MMM [joint stock company] reception points will resume the purchase of shares. This statement was made at 0300 hours [Moscow time] by the duty representative of MMM, who made a speech to numerous shareholders outside MMM's main office on Varshavskoye highway in Moscow. Today it went over to operating round the clock.

At 0400 hours the situation was the following: approximately 10,000 people had gathered round the central branch. The militia and OMON [special purpose militia] have the situation under control. All the entrances are sealed off with long-distance vehicles in which the MMM shareholders are spending the night.

Muscovites prefer to do without personal motor transport today. Yesterday the militia took the number plates off almost all cars. Moreover the rate of shares of MMM companies have doubled on the black market. Whereas dealers gave 40,000-50,000 rubles for the shares in the evening, by 0300 hours this morning this sum had reached 80,000-85,000 rubles.

But I think it is worth recalling the view of Aleksandr Livshits, head of the group of experts of the Russian president, which was expressed to BIZNES-TASS. "There is no special exaggerated campaign surrounding the MMM joint stock company. All problems will be resolved as soon as MMM submits a report on its balances to the Finance Ministry and pays taxes."

Acting Finance Minister Comments

LD2807100694 Moscow ITAR-TASS World Service in Russian 0543 GMT 28 Jul 94

[By Itar-Tass correspondent]

[Text] Krasnoyarsk, 28 Jul—Sergey Dubinin, acting Russian finance minister, likened the situation surrounding the MMM concern to a game of chance that is bound sooner or later to be resolved one way or another. In an interview with the ITAR-TASS correspondent, Dubinin, who is in Krasnoyarsk kray as part of a delegation headed by the Russian president, spoke of several of the reasons that had caused the current scandal concerning MMM shares.

The minister said that MMM operated a so-called pyramid system; i.e., every purchaser of shares paid for shares to be bought back from previous puchasers. In other words, money was not invested in anything specific but was used to pay for liabilities taken on previously.

MMM tried to issue another package of shares worth one trillion rubles with very little authorized capital of its own. Because there are absolutely no economic grounds for this we felt it impossible to register the prospectus for this issue, Dubinin said. Another quaint "financial instrument" was issued—MMM notes with portraits of the chairman and that involved absolutely no financial obligation whatsoever. A document like this, the minister said, represents nothing more than a personal agreement between its purchaser and the company selling it. Moreover, there is no legal registration for it, and the issue itself was not in any way registered. This is what caused the Finance Ministry to make its statement, Dubinin said.

It was not the Finance Ministry's statement, however, which led to the current situation with MMM, the finance minister summarized. This was the result of the company's activities and the credulity of the man in the street.

Government, Private Banks Meet To Mull Coordination

MK2807093794 Moscow NEZAVISIMAYA GAZETA in Russian 28 Jul 94 p 2

[Report by Tatyana Romanenko under the "Details" rubric: "A Secret Meeting"]

[Text] "The interests of commercial banks should be taken into account in shaping Russia's financial and economic policy." That was the demand set by the majority of participants in the confidential meeting, "Banks in the System of Russia's Finance and Economic Security," which was held the other day at the President Hotel. The event was organized by Vladimir Kamchatov, authorized representative of the Russian president in Moscow, and Sergey Aksenov, general director of the Financial Security Agency, an information analysis service, which collects information on the financial and credit markets of Russia and the West.

The meeting was attended by chiefs of ministries and departments (the Finance Ministry, Economy Ministry, and Internal Affairs Ministry), law-enforcement agencies and special services (the Federal Counterintelligence Service, Federal Agency of Government Communications and Information, and the Main Administration for the Struggle against Organized Crime), and around 40 representatives of Russia's largest banks.

Speakers at the meeting pointed out that owing to the absence of a mechanism of direct coordination between the president and the government, the latter receives distorted information, does not heed the interests of the largest representatives of the financial community and imposes on them unacceptable rules of the game. All participants in the meeting shared the view that it is time for commercial structures and executive authorities to join forces. To this end, a presidential coordinating council will soon be set up to include representatives of the legislative and executive branches of power, chiefs of the largest commercial banks, and representatives of the special services. This body will be tasked with shaping financial and credit policies.

It should be noted that the very confidentiality and lineup of the meeting confirmed the banking community's increasingly insistent claim to the right to exercise authority, and to direct, fairly strong, influence on the government and the president. Possibly, representatives of the executive authority have agreed to such close contacts in the hope of keeping the leverage of control over financial policy in their hands. It is easy to guess that their new partners hold a diametrically opposed view.

Rybkin Says Privatization Program Must Work

LD2707192894 Moscow INTERFAX in English 1809 GMT 27 Jul 94

[Text] Speaker of the State Duma Ivan Rybkin said today that the federal program of post-voucher privatization introduced in Russia last week by a presidential decree "must work because certain articles of the 1994 budget rely on it." He was speaking at a news conference in Moscow and added that the enforcement of the program by a decree is absolutely constitutional.

Rybkin said 39 of the 41 amendments suggested by five economic committees of parliament to the government program were incorporated in the final version. As the presidential decree will be in force till the adoption of an appropriate federal law, the economic committees are now drafting a law on privatization, Rybkin announced.

When the amended version of the government program was put to vote in the Duma two weeks ago, it was 13 votes short of approval.

Central Bank Concerned Over Hard Currency Outflow

LD2707194494 Moscow ITAR-TASS in English 1915 GMT 27 Jul 94

[By BUSINESS-TASS]

[Text] Moscow July 27 TASS—Recently, one billion U.S. dollars have been illegally taken out of Russia monthly, and this outflow of hard currency negatively affects the Russian economy. This topic was covered by a news conference in Russia's Central Bank on Wednesday.

The continuous capital flow abroad undermines Russia's credibility as borrower at international currency markets, said Yevgeniy Ivanov, head of the Central Bank's department monitoring currency transactions. At the moment, credits are extended to Russia at tighter terms as compared to Soviet times. Hard currency smuggled from Russia could have been used to invest in the country's economy, the Central Bank official stressed.

Russia's Central Bank hails the measures being taken to further improve currency laws in Russia, speakers at the news conference pointed out.

Government Introduces Tighter Currency Controls

LD2707180394 Moscow INTERFAX in English 1628 GMT 27 Jul 94

[Text] Two new articles were added to Russia's Criminal Code on July 1, to tighten currency controls. The articles establish tougher punishment for the violation of currency regulations, deputy head of the Bank of Russia's currency control department, Vyacheslav Kaunin, said.

Kaunin said in Moscow on Wednesday that Article 88 on currency irregularities was removed and replaced with Articles 162-7 and 162- 8, which provide for harsher punishment for the concealment of hard currency. Hard currency revenues must be deposited at authorized banks. The law stipulates up to eight years in prison or a fine penalty of 30 to 100 minimal monthly wages (currently 20,500 rubles) for concealing these earnings.

Kaunin also said that the Central Bank and other regulatory bodies revealed that 40 Russian exporters had stashed away $70 million in foreign bank accounts. He said the findings would be published soon. Since the incident was discovered before July 1, the exporters will be punished under law on currency regulations passed in October 1992.

Yevgeniy Ivanov, head of the department for monitoring foreign exchange accounts, estimated illegal currency exports $1 billion a month in 1992 and 1993. The flight of capital has slowed somewhat this year.

Lukoil Offers 15 Percent of Stock To Raise Capital

MK2707150394 Moscow SEGODNYA in Russian 27 Jul 94 p 2

[Unattributed report: "Lukoil Will Sell 15 Percent of Its Stock to Foreign Companies"]

[Text] The Lukoil oil company intends to attract over $3 billion worth of investments by selling 15 percent of its shares to foreign companies. Lukoil sources stress that the actual size of investments may eventually exceed this sum. Assessment of the oil company's overall stock varies, depending on calculation methods, between $20 billion and $45 billion. "If we use audit estimates by some western companies, whereby the aggregate value of Lukoil's deposits exceeds $30 billion, investment in our stocks could go beyond $4 billion," an informed company source said.

Post-Voucher Privatization Edict Seen Aiding Capitalism

MK2707144494 Moscow SEGODNYA in Russian 27 Jul 94 p 2

[Report by Mikhail Lantsman in the "Restoration" column: "Capitalism in Russia Will Have a Bright Future. When Land and Real Estate Become Private Property"]

[Text] The presidential edict "On the Basic Provisions of the State Program for Privatizing State and Municipal Enterprises in the Russian Federation After 1 July 1994," signed on 22 July, has laid the foundations for the intensive development of capitalism in Russia, Dmitriy Vasilyev, deputy chairman of the State Property Committee [Goskomimushchestvo], told a news conference yesterday. The program's authors, according to Goskomimushchestvo leadership, took into consideration—as far as possible—the amendments made by State Duma deputies, and proposals by regional authorities. In the search for a compromise solution, Anatoliy Chubays' first deputy Petr Mostovoy noted that the government guided itself by the need to protect the interests of individuals and corporate bodies, not allowing these interests to become a toy in the political struggle. In this respect the presidential edict is an act of national accord. Goskomimushchestvo leadership is convinced that there will be no drastic revision of the edict's provisions and until the State Duma adopts a state post-voucher privatization program, the edict will be the main legislative enactment regulating the process of privatization. Rebukes by opponents that the president has violated the existing legal norms are groundless because, Mostovoy believes, the edict strictly follows the constitution and the current privatization law adopted by the former Supreme Soviet in 1992.

The main disagreement during the discussion of the post-voucher privatization program in the Duma, according to Vasilyev, occurred around questions related to privatization of real estate, land plots, sale of state shares, and the distribution of revenues from cash auctions and investment tenders. In this connection Mostovoy noted that the introduction by the edict of norms regulating the procedure for transferring real estate and land plots to privatized enterprises effectively restores the aggregate integrity [sovokupnaya tselostnost] of property disrupted by previous restrictions. Therefore substantial reserves will be brought into active circulation since the average size of land plots at large Russian enterprises exceeds general world standards by six times.

The post-voucher privatization process, Mostovoy said, will be characterized by a substantial limitation in the number of enterprises entitled to investment resources. According to Goskomimushchestvo expert estimates, potential effective demand for privatizing installations is no more than $1.5-2 billion. At the same time, private investment demand structure is dominated by the housing market. The problem is alleviated somewhat by the privatized enterprises' option to funnel 1 percent of receipts from share package sales to investment.

22 July 1994, Mostovoy pointed out, will go down in history owing to two events. On this day—"thanks to Divine Providence"—along with the edict, the country also received a new Civil Code enshrining the inviolability of private ownership.

Federal Assembly

Federation Council Votes Down Laws on Mass Media

LD2707193894 Moscow ITAR-TASS World Service in Russian 1134 GMT 27 Jul 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow, 27 Jul—The Federation Council today voted down two laws concerning the mass media. Both documents "On the procedure for covering the activities of the organs of state government in the state mass media" and "On the introduction of amendments and additions to the Russian Federation law "On the mass media" were passed by the State Duma on 14 July.

One of the deputies, who wished to remain anonymous, explained to the ITAR-TASS correspondent after the debate that the documents had been voted down because "the regions want to manipulate the press and the law does not permit them to do this." He recalled that the version proposed by the State Duma says that federal organs of government and organs of state government of the subjects of the Russian Federation cannot act as founders of a periodical printed publication. The law also says that those organs and their officials are not entitled to interfere in the creative activity of the editorials of the mass media.

The negative attitude in the Federation Council toward the laws, especially the first one, manifested itself at once. However, the recommendation of the Committee for Science, Culture, and Education not to submit them at all for examination by the house was not adopted and the deputies very briefly, from their places, spoke against the approval of these laws.

The main arguments were that insufficient work was done on the documents, that they excessively regulate the mass media, and contain many errors. The more serious "accusation" that some points of the law do not correspond with the Constitution was also heard.

The deputies, the majority of whom are leaders of the organs of government of the subjects of the federation, stressed that the law intrudes on the competence of these organs. They deemed it necessary for further work to be done on individual points of the law.

Further on Media Law Decision

MK2807080794 Moscow SEGODNYA in Russian 28 Jul 94 p 2

[Report by Yelena Tregubova under the "Upper Chamber" rubric: "Senate Turns Down Media Law and Tells Duma 'not to Blame the Mirror'"]

[Text] Yesterday, the Federation Council overturned the law "On the Procedure for State Mass Media Coverage of the Operation of State Bodies" passed by the State Duma. Federation Council Speaker Vladimir Shumeyko stated that the senators are under the impression that "not a single jurist worked on this law" in the State Duma. Yevgeniy Krestyaninov, head of the rules of procedure commission, is convinced that it is, for example, impossible to prohibit bodies of power from being founders of newspapers and magazines as the Duma suggests. Mr. Krestyaninov recalled that the State Duma is now the founder of the DNEVNIK GD [STATE DUMA DIARY], and DUMSKOY VESTNIK [DUMA HERALD].

The senators' greatest protests were provoked by the desire of the Duma to forcibly regulate the work of journalists. In the phrase of Deputy Krestyaninov, the law passed by the lower chamber of parliament "is rather reminiscent of some sort of an instruction...." He thinks it is odd to bring in the burden of regulated news coverage of the operations of the legislative power alone "at a time when a new system of legislative power is beginning to emerge in the country, and new structures under the president are being formed."

Aleksandr Belyayev is convinced that the Duma-passed law is in direct violation of Article 20 of the Constitution with regard to journalistic and mass media rights. In his opinion, the task today should consist in making not only individual newspapers, but also radio and television private and independent. After that the state should "buy the air time it needs on an honest basis." A deputy from Yaroslavl Oblast, Lisitskiy, told his associates that the oblast Duma and the oblast administration had long switched to "a contract basis with the oblast's newspapers, and simply buy the necessary space from them."

The senators agreed that non-state television and radio "are vitally necessary precisely in Russia, a country where the state regulates absolutely everything."

At the end of the discussion, Deputy Oslonidi recalled for the benefit of his associates the Russian proverb about "the mirror and the crooked mug" [Why blame the mirror if it is your own mug that is crooked?] which has of late become rather popular precisely in connection with the legislators' urge to control the work of the mass media.

Federation Council Passes Law on 1995 Budget

MK2707084494 Moscow SEGODNYA in Russian 27 Jul 94 p 2

[Report by Yelena Tregubova under the "Senate" rubric: "Federation Council Makes Provisions in Good Time. Law 'On the Procedure to Consider and Confirm the 1995 Federal Budget'"]

[Text] The Federation Council passed yesterday, without discussion, a law "On the Procedure to Consider and Confirm the 1995 Federal Budget." The document calls for four readings for the 1995 budget. The first reading is to consider the draft budget concept and the budget and tax policy guidelines. The second reading is supposed to consider the main characteristics of the budget. The third reading is to confirm appropriations by article and section. The draft law as a whole will be put to a vote during the fourth reading. The budget is to be submitted to the Duma before 15 October 1994 with 30 days having been reserved for the first reading in the lower chamber.

Also yesterday, the Federation Council deputies were supposed to confirm the laws passed by the lower chamber during their last sitting before the recess. Among them is a law on changing land rents, on the privatization of the stock of housing, on the rules of coverage in the mass media of the operation of the bodies of power, and on international treaties, among others.

However, as the Federation Council chiefs explained to the gathered deputies yesterday, many of these documents "have not been prepared by the committees for consideration" yet. For which reason the senators only sat till noon and then broke up "to do some work in the committees and introduce amendments."

Termed one of the "not ready" documents was a draft decree confirming the president's edict extending the state of emergency in the zone of the Ossetia-Ingushetia conflict. Under the Constitution the president and the Federation Council are supposed to extend states of emergency after certain periods. On each occasion, when the time to extend it comes around, the Federation Council calls a closed-door sitting, and the question on "whether the state of emergency should or should not be extended" becomes a topic that takes care of an entire day in parliament. It is interesting that all the interested parties admit in advance that the parliamentarian's decision is predetermined—the state of emergency in the conflict zone will be extended. This time around the validity of the previous edict is up on 31 July, meaning that the senators shall by all means confirm the "prolongation" of the state of emergency before the vacations.

State Duma Declares Commitment to Human Rights

MM2707143394 Moscow ROSSIYSKAYA GAZETA in Russian 26 Jul 94 First Edition p 4

[Russian Federation Federal Assembly State Duma Decree No. 149-1 GD "On the State Duma Statement on the Russian Federation's Observance of Standards in the Human Rights Sphere" signed by State Duma Chairman I.P. Rybkin in Moscow on 24 July 1994; plus text of State Duma Statement]

[Text] The Russian Federation Federal Assembly State Duma **decrees**:

To adopt the statement of the Russian Federation Federal Assembly State Duma on the Russian Federation's observance of the standards in the sphere of human rights laid down by the 1950 European Convention for the Protection of Human Rights and Fundamental Freedoms and on Russia's readiness to accept the representatives of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment.

[signed] I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma.

Decree no. 149-I GD, Moscow, 24 July 1994.

State Duma Statement

In the Russian Federation, in accordance with its Constitution:

Human and civil rights and freedoms are recognized and guaranteed according to the generally acknowledged principles and norms of international law;

the fundamental human rights and freedoms are inalienable and belong to everyone from birth;

the exercise of human and civil rights and freedoms must not violate the rights and freedoms of other persons.

The Russian Federation Federal Assembly State Duma,

fully resolved to ensure the country's further progress toward an effective pluralistic democracy,

taking into account the general European political legacy—the traditions and ideals of freedom and the supremacy of the law,

expressing its readiness to support all practical steps conducive to Russia's dynamic integration into the community of European countries,

and confirming Russia's readiness to become a full-fledged member of the Council of Europe,

solemnly proclaims the ensuring of standards in the human rights sphere as laid down by the 1950 European Convention for the Protection of Human Rights and Fundamental Freedoms as a task which all the organs of state power of the Russian Federation shall strive to fulfill within the framework of their constitutional powers;

declares in this connection its intention to continue to improve Russian legislation in the human rights sphere in the spirit of the Universal Declaration of Human Rights as well as of the European Convention for the Protection of Human Rights and Fundamental Freedoms and the European Convention for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment;

and confirms its readiness to cooperate with the corresponding international organizations, including the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment in the attainment of the noble goal of safeguarding human rights and fundamental freedoms and assisting their representatives.

Regional Affairs

Reportage on Yeltsin Krasnoyarsk Visit

LD2707121094 Moscow ITAR-TASS World Service in Russian 1110 GMT 27 Jul 94

[By ITAR-TASS special correspondent]

[Text] Krasnoyarsk, 27 Jul—"In Krasnoyarsk Kray, I am most of all interested in the state of the economy," Russian President Boris Yeltsin, who arrived in the town on the Yenisey River, told the journalists who came to meet him today.

"Krasnoyarsk Kray is one of the most powerful in Russia, and problems here are in proportion to its size: from manufacturing of plutonium to grain harvesters. These are the problems that I wish to discuss during my meetings with Siberians," he said.

President's first meeting will be with intelligentsia representatives. They will talk about Siberian culture.

Tomorrow Yeltsin will visit the Krasnoyarsk mining and chemical combine and the combine manufacturing works. Then he will visit timber workers and farmers.

Says Krasnoyarsk-26 Must Close

LD2707182094 Moscow NTV in Russian 1500 GMT 27 Jul 94

[Excerpts] President Yeltsin today promised to close Krasnoyarsk-26 where weapons-grade plutonium is produced. [passage omitted]

[Begin Yeltsin recording] There are some unpleasant features, such as Krasnoyarsk-26 where weapons-grade plutonium is processed and we need to decide about it. And I will. The decision needs to be made. The most important thing is to close it. We do not have any particular questions on this. But what to do with the people, how can we set them up? This is a very difficult question. [end recording]

Visits Combine Works in Krasnoyarsk

LD2807062994 Moscow ITAR-TASS World Service in Russian 0447 GMT 28 Jul 94

[Text] Krasnoyarsk, 28 Jul (ITAR-TASS)—The second day of President Boris Yeltsin's stay in Krasnoyarsk has started with a visit to a combine harvester works.

This Siberian enterprise is one of the major ones in the country producing grain-harvesting equipment. The well-known machines bearing the "Yenisey-1200" trade mark are currently coming off the production line. The works not only supplies its combines to different regions of Russia and the CIS republics, but also to countries further abroad.

At the main entrance the president was met by factory workers; the conversation was about money owed to the enterprise for goods delivered. The amount of money owed is several billion rubles. The factory workers touched upon the question of price rises on foodstuffs and consumer goods. "At present our most important task," the president said, "is to see that wages grow faster than prices." But a great deal of work has to be done to achieve this, not only to boost the amount of output produced, but also its quality and competitiveness on the world market.

In the conversation with the workers, the president also noted that "pensions and the wages of doctors, teachers, and cultural workers will definitely be raised." After seeing the new model of the "Kedr" combine harvester for himself while visiting the main assembly line, the president gave the instruction that the government should draw up a decision on this new machine. Putting "Kedr" on the production line will make it possible to not only replace the "Yenisey" combine harvester in the fields, but also harvest more efficiently and quickly.

Boris Yeltsin's working agenda includes a visit to the mining and chemical combine in Krasnoyarsk-26 this afternoon.

Purpose of Yeltsin Visit to Krasnoyarsk Viewed

MM2707163194 Moscow IZVESTIYA in Russian 28 Jul 94 p 2

[Report by Vasiliy Kononenko: "In Krasnoyarsk B. Yeltsin Will Inquire About the Progress of Conversion and State Directors' Pay"]

[Text] B. Yeltsin arrived in Krasnoyarsk 27 July. This will be one of the president's final acts prior to his "unusual" vacation, as his press secretary V. Kostikov put it. B. Yeltsin and his family intend to sail down the Mother Volga by motor vessel all the way to Astrakhan, and then possibly cruise down the Don, visiting the major cities of the Volga as they go. He could not postpone his visit to Krasnoyarsk any longer since fate has seemingly kept him away from this city for too long.

The trip was planned last year. B. Yeltsin wanted to visit the city since he felt that a significant number of Krasnoyarsk's inhabitants do not approve of him or his policies. His visit to the city was finally prepared this summer, but A. Rutskoy upstaged him by forestalling the president. After the malicious remarks to Krasnoyarsk's inhabitants directed at the incumbents in the Kremlin, B. Yeltsin did not feel comfortable about going to this city, and he set off for Blagoveshchensk and Tuva instead. As in his previous inspection tours around Russia, B. Yeltsin hopes to "compare notes," as it were.

His aides claim that the president primarily intends to investigate the following questions: Why are state enterprises grinding to a halt owing to nonpayments and financial collapse whereas in some cases their directors are getting paid salaries in excess of 10 million rubles? Why is it so difficult to implement conversion of defense enterprises? Is it possible in one region considered individually to create a mechanism for eliminating unemployment, bearing in mind the special characteristics of this region—its still overly militarized economy?

B. Yeltsin will clear up these and other economic problems not only at meetings with the kray's leaders, but also with producers of self-propelled combines, timber cutting enterprises, and staff at the "Krasnoyarsk-26" defense plant. Incidentally, in addition to conversion matters, the president intends to find out how safe our nuclear power industry is these days. This issue will inevitably by raised by U.S. President B. Clinton during the Russian-U.S. summit in September.

V. Kostikov noted in an interview with your IZVESTIYA correspondent that, according to the president's wishes, the route of his trips in the spring and summer period have been worked out in such a way as to enable him to tackle the most complex problems in the economic and political spheres. Together with the kray leadership, he hopes to find effective ways of preserving the region's economic and defense potential. Acting Finance Minister S. Dubinin, First Deputy Defense Minister A. Kokoshin, and presidential aides Yu. Baturin and A. Korabelshchikov have arrived in Krasnoyarsk in advance of the president in order to carry out a detailed study of the situation.

However, in accordance with his usual practice of initially "sounding out" proposals put to him by officials by talking with people, B. Yeltsin has planned a whole series of free-ranging conversations with the inhabitants of Krasnoyarsk.

Dudayev on Progress in Chechen Republic

LD2707163694 Moscow ITAR-TASS in English 1432 GMT 27 Jul 94

[Text] Moscow July 27 TASS—Chechen President Dzhokhar Dudayev said his republic is "marching ahead firmly."

In an interview with the newspaper MEGAPOLIS EXPRESS published on Wednesday, Dudayev said the Chechen Republic "knows what it wants, knows its goals and knows how to achieve them."

Time and history have confirmed the correctness of Chechnya's decision to "immediately fence itself off from social upheavals, which are especially dangerous for the Chechen people, and build a sovereign and independent state," he said.

He said it was not easy. "We understood very well what difficulties were ahead of us and what problems we would have to solve. The long-suffering Chechen people were especially concerned about the future of the USSR's peoples," he added.

Speaking on the eve of the third anniversary of the Chechen Republic's independence, Dudayev said that "we have preserved the most valuable in the Chechen economy, its driving force—labour."

"We have shown everybody that it is possible to build and create on a legal basis, strictly observing the letter and the spirit of law," he continued. "How many times they tried to persuade me to waive a law, a legislative enactment or even the most insignificant but standing rules and use a justifying reason. However, no matter what they promise me, I will never change my conviction that if you overstep (the law) once, you will do it again and again."

"A politician who has compromised his conscience will never be able to make the state machinery work on a legal basis. One of our greatest achievements is that we have survived the all-out attack of satanic temptations."

Refutes Reports About Situation

LD2707134894 Moscow ITAR-TASS in English 1241 GMT 27 Jul 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Grozn y July 27 TASS—President of the Russian breakaway Republic of Chechnya Dzhokhar Dudayev today called reports appearing in the Russian mass media about the situation in Chechnya a "slanderous propaganda campaign". Dudayev told TASS by telephone that "the cause behind these acts of the Russian leaders are the successful contacts established between the Chechen side and promising national-patriotic forces (in Russia) as well as influential representatives of the Russian political establishment, who favour the renewed union." Dudayev also said that the social and political situation in Chechnya remains calm, and nobody would succeed in destabilizing it.

In spite of today's reports, the Chechen president is working in his office as usual and giving interviews to foreign correspondents. Nobody has the intention of removing Sultan Giliskhanov, head of the state security department, from his work. The Shalinskiy tank regiment which is the main striking force of Dudayev's regime, is going ahead with its planned exercises with the personnel. The regiment commanded by Isa Dalakhayev, who was appointed to this post half a year ago, remains loyal to the president. An oath taking ceremony of recruits will be held here on Thursday, July 28, 1994. Dzhokhar Dudayev is expected to take part.

The information and press department in the Republic of Chechnya told TASS that the attempted massive propaganda attack, which was undertaken by the Russian mass media, brought to an opposite effect. Local population is outraged by false reports and is demanding from the leadership to stop telecasting Moscow programmes in the republic.

Chechen Opposition Leader Opposes Intervention

LD2707192794 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 27 Jul 94

[From the "Novosti" newscast]

[Text] Throughout the day, our editorial team has been receiving highly conflicting reports from Chechnya. The situation in the republic is believed to be extremely difficult. The Russian leadership is carefully examining information on the development of the situation in the Republic and hopes that an active union of healthy political forces will be able to take Chechnya out of crisis while protecting the rights of its citizens. Today we managed to obtain an exclusive interview with Umar Avtorkhanov, the chairman of the Republic's opposition Provisional Council.

[Begin Avtorkhanov recording] On the 23 July, an appeal was discussed at a session of the Provisional Council of the Chechen Republic. In the light of the critical situation which has arisen in the Chechen Republic, one thing should be clear to the Chechen people: that nobody, neither the Provisional Council nor any one of us, intends to ask Russia to send in troops to restore order. We are avoiding this, and Russia does not wish this to happen. [end recording]

Zhirinovskiy Leads LDP Delegation to Vladivostok

LD2707140794 Moscow INTERFAX in English 1051 GMT 27 Jul 94

[Text] The Liberal Democratic Party [LDP] does not approve the "anti- people" and "anti-army" financial policy pursued by Russia's government, and stands for an end to the "plunderous privatization," said its leader, Vladimir Zhirinovskiy, in Vladivostok on Wednesday. He arrived in the Pacific Maritime Territory Tuesday evening as the head of a group of State Duma deputies from his party.

Addressing the local residents, Zhirinovskiy urged them to foster a negative attitude to such words, as revolution, perestroika and reform, and called for "privatizing the biggest prison and putting the authors of foolish programs into it for 500 days."

Nevertheless the leader of Liberal Democrats expressed support for a number of steps taken by the Russian President, particularly for his refusal to transfer the Kurile Islands to Japan, for his statement in defence of ethnic Russians living abroad, and for his decree on combating crime.

On Thursday Zhirinovskiy and other State Duma deputies intend to visit the city of Yuzhno-Sakhalinsk.

New Edict on N. Caucasus State of Emergency

MM2807085194 Moscow ROSSIYSKAYA GAZETA in Russian 27 Jul 94 First Edition pp 1,2

[Edict No. 1541 of the Russian Federation President "On Introducing a State of Emergency on Part of the Territories of the Republic of North Ossetia and the Ingush Republic," dated 25 July 1994, The Kremlin, Moscow, and signed by Russian Federation President B. Yeltsin]

[Text] In view of the continuing tension in a number of areas of the Republic of North Ossetia and of the Ingush Republic and the need to secure the return of refugees and displaced persons to their permanent homes and implement a range of measures to eliminate the consequences of the armed conflict and in order to safeguard state and public security, and also in accordance with article 88 of the Russian Federation Constitution and the RSFSR Law "On State of Emergency" and the Russian Federation Law "On Security," I rule that:

1. The state of emergency introduced on part of the territories of the Republic of North Ossetia and the Ingush Republic by Edict No. 1112 of the Russian Federation president on 30 May 1994 is to be repealed as of 1400 hours on 31 July 1994.

2. Guided by the RSFSR Law on "State of Emergency" (article 4.9), a state of emergency is to be introduced from 1400 hours on 31 July 1994 until 1400 hours on 30 September 1994 on the following territories:

In the Republic of North Ossetia:

Mozdokskiy Rayon (except for the population centers of Telman, Yelbayevo, and Sadovyy), Pravoberezhnyy Rayon (population centers of Staryy Batakoyurt, Zilga, Olginskoye, and Vladikavkaz airport), Prigorodnyy Rayon (settlements of Mayskiy, Chermen, Komgaron, Tarskoye, Kurtat, Oktyabrskoye, Kambilevskoye, Dachnoye, Sunzha, Dongaron), and the city of Vladikavkaz (population centers of Yuzhnyy, Chernorechenskoye, Terk, Balta, Chmi, Nizhniy Lars, Verkhniy Lars, Ezmi, Kartsa, and the "Sputnik" military installation);

In the Ingush Republic:

Malgobekskiy Rayon (except for the population centers of Novyy Redant and Chkalovo), Nazranovskiy Rayon, Sunzhenskiy Rayon (population centers of Galashki, Muzhichi, Nizhniy Alkun, Verkhniy Alkun), Dzheyrakhskiy Rayon (population centers of Dzheyrakh, Lyazhki, Beyni, and Furtog).

3. A Provisional Administration is to be introduced for the duration of the state of emergency as a special form of administration on part of the territories of the Republic of North Ossetia and the Ingush Republic (hereinafter, Provisional Administration).

The Provisional Administration succeeds the Provisional Administration on part of the territories of the Republic of North Ossetia and the Ingush Republic, introduced as a special form of administration by Edict No. 1112 of the Russian Federation President on 30 May 1994 "On introducing a state of emergency on part of the territories of the Republic of North Ossetia and the Ingush Republic."

4. For the duration of the state of emergency:

special exit and entry rules are to be established, as well as a special procedure governing movements in the state of emergency zone, including the checking of documents and, if information is received about citizens possessing weapons, the searching of persons and inspection of effects, housing, and transport;

the protection of public order and of facilities providing for the population's vital needs is to be stepped up;

the holding of meetings, rallies, marches, and demonstrations, and other mass events is to be prohibited in the state of emergency zone;

strikes are to be banned;

the sale of weapons is to be banned;

firearms and other weapons, ammunition, toxic substances, and explosives are to be confiscated from citizens;

violators of public order who are not residents in the particular locality are to be removed to their place of permanent abode or outside the territory on which the state of emergency has been introduced at their expense;

the activities of political parties, public organizations, and mass movements hindering the normalization of the situation are to be suspended with prior warning;

censorship of news coverage of events in the state of emergency zone is to be introduced, together with the right to temporarily sequester printed products;

in view of the situation, a curfew is to be imposed, that is, citizens are to be prohibited from being on the streets or in other public places without special passes and identity papers at a specific time of day.

5. The Russian Federation Internal Affairs Ministry, the Russian Federation Federal Counterintelligence Service, and the Russian Federation Defense Ministry forces attached to the Provisional Administration are to adopt measures to prevent an armed conflict between the opposing sides and ensure the protection and safety of citizens and the unswerving observance of the state of emergency regulations.

6. The joint forces of the Russian Federation Defense Ministry, Russian Federation Internal Affairs Ministry, Russian Federation Federal Counterintelligence Service, Federal Agency of Government Communications and Information under the Russian Federation president, and Russian Federation State Customs Committee attached to the Provisional Administration are to be under the operational0control of the head of the Provisional Administration.

7. The Russian Federation Internal Affairs Ministry (V.F. Yerin), Russian Federation Defense Ministry (P.S. Grachev), and Russian Federation General Prosecutor's Office (A.N. Ilyushenko) are to ensure the full implementation of point 4 of the working plan of concrete action confirmed by the Russian Federation president on 30 December 1993.

8. In order to make monitoring of the rule of law more effective and improve the coordination of law-enforcement organs' activities in the state of emergency zone the Russian Federation General Prosecutor's Office is to adopt measures to step up the work of the Caucasian Interregional Prosecutor's Office.

9. The Russian Federation Government is to:

ensure the implementation of measures connected with extending the state of emergency, including financing them;

promptly and fully finance measures on the comprehensive solution of the problem of refugees and displaced persons;

ensure further talks on the settlement of the conflict;

provide the Republic of North Ossetia and the Ingush Republic with financial and economic asssistance through the Provisional Administration in accordance with federal programs and continue to provide this assistance depending on the constructive nature of the negotiating process between the republics and their implementation of measures to resolve the conflict;

hear in August 1994 an account by Provisional Administration chief V.D. Lozovoy on the work done by the Provisional Administration to implement Edict No. 2131 of the Russian Federation president of 13 December 1993 "On the procedure for the return of refugees and displaced persons on the territories of the Republic of North Ossetia and the Ingush Republic to their permanent abodes" and Edict No. 1112 of the Russian Federation president of 30 May 1994 "On the introduction of a state of emergency on part of the territories of the Republic of North Ossetia and the Ingush Republic," and also on the implementation of the Procedure for the Return and Settlement of Refugees and Displaced Persons in places where they were formerly concentrated in the population centers of Chermen, Dongaron, Dachnoye, and Kurtat in Prigorodnyy Rayon, Republic of North Ossetia, signed by all the interested sides on 26 June 1994 in Beslan.

10. The Provisional Administration, the Government of the Republic of North Ossetia, and the Government of the Ingush Republic are to coordinate the procedure and schedule for the return of refugees and displaced persons to the remaining places where they used to live (population centers in the Republic of North Ossetia and the Ingush Republic).

11. The Russian Federation Government is to draw attention to the need for tighter monitoring of the implementation of its own plan of concrete action approved by the Russian Federation president, above all measures to disarm illegal armed formations, confiscate their combat equipment and armaments, and ensure the safe return and settlement of and provision of amenities for refugees and displaced persons and report on the implementation of this edict before 30 September 1994.

12. This edict enters into effect the moment it is signed.

13. This edict is to be sent to the Federal Assembly Federation Council for approval in accordance with article 102 of the Russian Federation Constitution.

[Signed] Russian Federation President B. Yeltsin.
The Kremlin, Moscow, 25 July 1994.

International Affairs

FRY Premier Arrives for Visit, Lauds Attitude

LD2707190294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1651 GMT 27 Jul 94

[Text] Kiev, 27 Jul (TANJUG)—Federal [Yugoslav] Prime Minister Radoje Kontic arrived in Kiev this afternoon, on a two-day working visit to Ukraine, at the invitation of Prime Minister Vitaliy Masol.

Kontic was welcomed at Borispol airport by members of the Ukrainian government.

In a statement at the airport, the federal prime minister pointed to the long history of close relations and traditional friendship between the peoples of the Federal Republic of Yugoslavia [FRY] and Ukraine.

"Ukraine has been demonstrating a principled and unbiased approach to all sides in the Yugoslav conflict since the very beginning of the crisis," Kontic underlined.

He went on to assess Ukraine's decision to establish diplomatic ties with our country immediately upon the establishment of the FRY as reflecting an unequivocal desire for developing friendly relations. He described this as confirmation that Kiev pursues an independent foreign policy.

"The Yugoslav Government greatly appreciates this," Kontic said.

Kontic also stressed that his talks in Kiev will focus on bilateral cooperation, both under the sanctions and following their lifting or easing.

We believe, the federal prime minister said, that conditions exist even at this stage for the promotion of cooperation in areas where the UN Security Council's sanctions are not applicable.

Official talks between the members of the Yugoslav delegation and their hosts have been scheduled for tomorrow.

Prime Minister Kontic is accompanied by Federal Foreign Trade Minister Milorad Unkovic and Deputy Foreign Minister Radoslav Bulajic.

Crimean Deputy Speaker Meets With U.S. Ambassador

MM2707102594 Moscow KRASNAYA ZVEZDA in Russian 27 Jul 94 p 1

[Report by Vladimir Pasyakin: "U.S. Ambassador Received in the Crimea"]

[Text] Aleksey Melnikov, deputy chairman of the Crimean Supreme Council, has met with William Miller, U.S. ambassador to Ukraine, who is in the Crimea, at the latter's request.

During the meeting they discussed questions of the economic situation and political life in the Crimea and the development of cooperation between the Republic of Crimea and the United States. Admiral Eduard Baltin, commander of the Black Sea Fleet, also took part in the conversation.

Kuchma Meets IMF Delegation; Economic Situation Discussed

LD2707202794 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 27 Jul 94

[Text] Ukrainian President Leonid Kuchma on 27 July received a delegation of the International Monetary Fund [IMF], on an official visit to our country. The delegation is led by the fund's managing director, Michel Camdessus.

In the course of the conversation, a wide variety of questions relating to cooperation between Ukraine and the IMF was addressed. Both sides spoke of the need and their interest in extending and enlivening these relations.

The president underlined that Ukraine was consistently carrying out reforms in the national economy and was therefore interested in substantial assistance from the international community, which assistance, however, should be provided in the form of mutually beneficial cooperation where both sides possess equal rights. Investment, the president added, is also of interest to us.

The guests primarily took interest in the areas where help from the IMF would be needed most of all. They said they were certain Ukraine would overcome the difficulties of the present stage, with our state's relationship with the IMF, in the delegation's view, playing an essential part in doing so.

IMF Head Optimistic on Cooperation

LD2707181094 Moscow INTERFAX in English 1628 GMT 27 Jul 94

[Text] IMF Executive Director Michel Camdessus said his meeting with new Ukrainian President Leonid Kuchma marked the beginning of a new era for Ukraine.

Camdessus told Kuchma during the 45-minute meeting in Kiev today that Ukraine needed all the measures which the new president plans to undertake. Camdessus stressed that he regarded the future of relations between Ukraine and the IMF with optimism.

Kuchma thanked Camdessus for his having come to help Ukraine.

At the beginning of their meeting Kuchma reminded Camdessus of the promise which the IMF director had given a few months ago when he said he would come to Ukraine once the required conditions were in place.

To Help Develop Stabilization Program

LD2707193094 Moscow INTERFAX in English 1809 GMT 27 Jul 94

[Text] Experts from Ukraine and the International Monetary Fund will work out a stabilization program for the

Ukrainian economy within the next 60 days, which could serve as a foundation for IMF aid. The decision was made at a meeting between President Leonid Kuchma and the IMF Managing Director Michel Camdessus behind closed doors on Wednesday [27 July].

The chairman of the Ukrainian National Bank Viktor Yushchenko, who attended the meeting, said the program will be submitted to the IMF session in Madrid in October. He said this should be a network of loans, which will be directed along several channels. However, he did not say how much aid is expected aid, and said only that this depends on the program.

Yushchenko called the Kuchma-Camdessus meeting the most productive yet between Ukrainian and IMF representatives.

Camdessus later met with Prime Minister Vitaliy Masol. IMF Executive Director Michel Camdessus confirmed at his press conference in Kiev today that Ukrainian and IMF experts would begin working on a program of specific measures on economic stabilization.

He said that during their meeting today Ukrainian President Leonid Kuchma had made known a draft program aimed at stabilizing and liberalizing the economy, providing for its structural reorganization, social security for the population and for mobilization of aid of the world community.

Camdessus said he considered the provisions of this program as absolutely necessary components of the reforms. He added that the IMF mission would visit Kiev in the near future in order to make the program more specific.

"We are ready to help in drafting the program, coordinating it and financing the reforms," Camdessus said.

He stressed that Ukraine and the IMF were only at the early stage of cooperation.

Earlier, IMF representatives said that if the program was coordinated with the IMF directors Ukraine could expect to receive about $700 million as credit for stabilizing the economy.

Government Wary of Japanese Offer of Free Business

LD2707163994 Moscow ITAR-TASS in English 1508 GMT 27 Jul 94

[Report by ITAR-TASS correspondent Mikhail Melnik]

[Text] Kiev 27 July TASS—Japanese business circles have offered to provide Ukraine with a building for its embassy in Japan on a reciprocal basis.

Ukrainian Foreign Ministry Spokesman Yuriy Sergeyev told ITAR-TASS on Wednesday that many Japanese business people show keen interest in such a deal as they view Ukraine as a potential market for their goods and services.

Sergeyev said some companies, including the real estate firm Shiba Kosan, are ready to provide Ukraine with premises for free on condition that they are given the "green light" on the Ukrainian market.

He noted that all proposals are being studied now, but added that Ukraine is most likely to turn them down. He pointed out that the Foreign Ministry has already found a building and is now trying to settle financial questions. He said that the Ukrainian embassy in Japan will open this coming Autumn at the earliest.

The Japanese Embassy in Ukraine has been located in the Nationalnaya Hotel for two years.

Speaker Moroz on Relations With CIS States

MM2707123794 Moscow PRAVDA in Russian 27 Jul 94 pp 1-2

[Interview with Aleksandr Moroz, chairman of the Ukraine Supreme Council, by Viktor Drozd, in Kiev, date not given: "Aleksandr Moroz: 'Our Countries Have a Common Destiny'"]

[Text] This is the first time that the State Duma is going to receive a delegation from the Ukrainian Supreme Council. Before his departure Oleksandr Moroz, head of the delegation and chairman of the Supreme Council, answered your PRAVDA correspondent's questions. But first let me introduce my interlocutor.

Oleksandr Oleksandrovich Moroz is 50 years old. He was born into a peasant family in Kiev Oblast. After graduation from the Kiev agricultural academy as a mechanical engineer he began working in his specialist field but later switched to work in the Kiev Oblast party organs. Oleksandr Moroz is one of the creators and the leader of the Socialist Party of Ukraine. The Socialists nominated him for the presidency and he polled the third highest number of votes without really taking part in the electioneering. In May this year he was elected chairman of the Ukraine Supreme Council. He is married. He has two daughters and four grandsons.

[Drozd] Oleksandr Oleksandrovich, until very recently you and your family experienced personally the hardships in our daily life. When travelling in the suburban trains and on city transport or standing in line you heard all sorts of things said about the powers that be. But now you are also one of those powers. People trusted you, they expect you to keep your promises, they expect action.

[Moroz] But surely they are in evidence, are they not? I have never deceived people, I have never promised mountains of gold. But words are deeds, too. I have in mind the position on the basic guidelines of Ukraine's domestic and foreign policy as set out in the Supreme Council. This document for the first time since independence answers the following questions: What path will Ukraine take, who is to be the owner of the means of production, who will wield power in Ukraine? This document is based on the Socialist Party's ideas including all the best proposals of the different political forces. It is so well reasoned and corresponds to the people's mood that even the national democratic wing has not come up with any weighty counterarguments. We have a concept for the development of Ukraine and we are completing the formation of the organs of power. In other words, a "statement of intent" is being transformed into guidance for action. Although you can understand people: They need results. But intentions are important, too. We confirmed them in the joint declaration.

[Drozd] We... that means...

[Moroz] That means President Leonid Kuchma, Prime Minister Vitaliy Masol, and I. We confirmed that the only way out of the crisis is through the coordinated actions of all the branches of power. What is more, such "cohesion" is a guarantee of peace and calm in the state. It is already quite an achievement that we have agreed that the further impoverishment of people must be stopped. We have also agreed that the path to achieving that lies in the restoration of production through the restructuring of the economy, in instilling order in the currency and finance system, and in ensuring the social protection of working people and the whole population.

[Drozd] But some people see the establishment of mutual relations with the local organs of power as the start of a protracted conflict between the president and the Supreme Council.

[Moroz] They predicted that the elections would not produce a result and predicted the kind of problems that this would cause for Ukraine. But the land did not split asunder, the rivers did not flow backwards. People turned out, they gave their view of affairs in their own state, and they gave power to people they trust. Furthermore, they did all this virtually simultaneously—in elections of the president and councils at all levels, including the Supreme Council. This was done on a single political wave. This means that the authorities are now obliged to act as one, in a single legal field. In the days ahead we shall give a second reading to the law on the local councils. This will add the finishing touches to mutual relations at the various levels of power and will provide sufficient guarantees for the preservation of the state's territorial integrity.

[Drozd] Nevertheless, some forces are continuing to divide Ukraine into west and east, including along the Dnieper, and are talking about inevitable confrontation and war....

[Moroz] I repeat what I have said a number of times before: Politicians who want bloodshed for their own people, including by means of provocation of this kind, will have an irredeemable sin on their conscience. I would say that mere talk of this kind, whether in verse or in prose, should be a criminal offense. I have spoken many times about the division of the state as a result of the elections. I repeat now: There will be no division along the Dnieper or the Zbruch. The division is based on each person's attitude, on each individual whose stance is determined by concern for the unity of Ukraine and by an understanding of the need for closer cooperation with Russia and the other former republics of the Union. That is why it is simplistic to talk about the division of the state. It is necessary to restore accord to everyone's mind. That is not easy. But that is politics, too. And because all moral evil is a political evil, too.

[Drozd] Your position on Ukraine's mutual relations with Russia and the other CIS countries is a constant target for attacks.

[Moroz] When I say that it is necessary to live in harmony with all countries my opponents say nothing. Yet you only have to single out Russia, Belorussia, Kazakhstan, and other states of the former Soviet Union and a heart-rending cry goes up. But is there justification for such hysteria? There is no avoiding the fact, which was well-perceived by Nursultan Nazarbayev: "There is no Union, everyone is free, but they are fated to resolve everything together." When people constantly say now that the USSR was an empire this naturally meets with opposition from people. Those who speak that way either do not know history, or are consciously distorting it, or else are denying people the right to assess history for themselves in a dignified way. No matter what you say this is amoral and inevitably sows evil and discord in society. Yes, we are living in different states now. But we have a common destiny, common roots. We were made richer, stronger, and purer by the mutual enrichment of cultures, science, and education. Our duty is to preserve good fraternal relations.

[Drozd] In that regard the Supreme Council is consistent. This is the first time that a standing commission is going to work on ties with the CIS countries. Recently, a group of deputies proposed to the CIS countries' parliaments that they meet this fall in Kiev to discuss the most urgent tasks.

[Moroz] I can understand the deputies' intentions. It is time to make good the omissions. After all, our countries had many common problems. I think that everyone has already seen for themselves that it is only by acting together that we will be able to cope with the crisis phenomena more quickly. They are equally distressing to all. The thing to do is to clear away the artificial obstacles in economic ties and in trade and open the way to the free movement of capital and spiritual contact among people in both directions.

An economic union of equal states must be effective in integrating and renewing the economy, protecting a reliable market, and in the joint development of priority sectors such as space, for example. We must pool our efforts in foreign policy more thoroughly and elevate legislative norms in trade, human rights, and the fight against crime toward international standards in a more coordinated way. But coordination of this kind requires a strengthening of the defense capability and opposition to chauvinism, national extremism, and separatism. It is equally important to preserve the single information area and the ties which have developed among the republics in culture, science, and education.

[Drozd] This is not the first time that you have spoken about strengthening the defense capability, presumably not just of Ukraine but of all the states of the former Soviet Union.

[Moroz] Do you think that it is a coincidence that swords have been crossed so often over the Black Sea Fleet? Yes, we have already make quite a few mistakes here. I have insisted and will continue to insist that the Black Sea is a zone of common interests for Ukraine and Russia where the fleet has by no means the least important role. The Ukrainian Navy is necessary but it must be the kind which would cooperate with and not oppose the Russian Navy. The navy of a friendly state. I have defended the idea of collective security for a number of years now.

[Drozd] How far is this idea compatible with your thesis of the need to change Ukraine's foreign policy?

[Moroz] The foreign policy must be enterprising and consistent. One of its components is the guarantee of security and of defense capability. I do not believe that NATO intends to open its doors to anyone. That is natural. It is time for certain politicians to stop wandering futilely around [NATO's] corridors in Brussels. They do not want us or Russia there. Everything in the world was settled and shared out long ago. That is why our mission is a policy of active neutrality, the imposition (in a positive sense) of peaceloving proposals, and the involvement of international institutions in their implementation. This is far more effective than asking for aid with an outstretched hand.

[Drozd] That is why they look down on us condescendingly...

[Moroz] When I go abroad it distresses me to see that for many of our partners in the world community Ukraine is just a "blank space." And that is how they treat us. They promise aid but attach a host of conditions to it. There have been quite a few examples of that kind with regard to both Russia and Ukraine. In what capacity does the world community need us—as poor beggars whom they can treat however they see fit? However, we have interests of our own in the world community. And our foreign policy must defend them. We are open to serious investors and are already receiving credits for state programs. But we cannot allow people to be impoverished still further. The essential point of our reforms is that the market economy should be regulated with the state's help. It must also be defended by diplomacy. The diplomacy of Ukraine and of the other CIS countries. Meanwhile, this is a job not just for the diplomats but also for everyone living in the states of the former Soviet Union.

National Affairs

Crimean Parliament Seeks Economic Association

LD2807082394 Moscow ITAR-TASS in English 0703 GMT 28 Jul 94

[Report by UKRINFORM correspondent Lev Ryabchikov for TASS]

[Text] Simferopol 28 July TASS—The Crimea intends to initiate an economic association to be called South-East. This is fixed in the Crimean interregional policy concept, whose provisions were discussed by the parliament in Simferopol late on Wednesday [27 July].

The concept projects a simpler procedure of goods exchange with neighbouring Russian regions on the basis of bilateral agreements. "There is urgent need," say the provisions, "for the immediate formation of a Russian-Crimean association that would coordinate contacts in science, culture, economy and education."

Crimea plans talks with Russian regional leaders for drawing up long-term joint programmes providing for the recreation of Russians at Crimean resorts.

Views Ties With Black Sea Basin Countries

LD2807104294 Kiev UNIAN in Ukrainian 0745 GMT 28 Jul 94

[Text] Simferopol—At its evening session on 27 July the Supreme Council of Crimea examined the theses of the concept of the Republic's interregional policy. Relations between Crimea and Ukraine have a special place in the concept. It was recommended that closer relations be maintained with the regions of left-bank Ukraine. This in particular, concerns economic policies. The deputies consider that in time, economic relations will gradually grow into political relations. Because the Republic of Crimea is not yet a subject of international law, it has to adhere to this policy in relations with other states. First of all, it is necessary to establish stong ties with Russia's regions adjacent to Ukraine. The creation of Russian and Crimean parliamentary groups should also promote the establishment of stronger ties. The MP's hope that the deputies from the Russian Federation's State Duma will support this position. Because Ukraine basically supports relations with Canada, Germany, and the United States, it has been recommended that Crimea should orient itself toward the countries of the Black Sea basin: Romania, Moldova, and others.

The theses of the concept of Crimea's interregional policy were noted in a Crimean Supreme Council resolution. In the view of people's deputy Oleh Kyrylov, the policy of isolation has come to an end.

Heads of Parties Protest Kuchma's Language Policy

AU2707125594 Kiev MOLOD UKRAYINY in Ukrainian 26 Jul 94 p 1

["Statement by Parties and Organizations of Democratic Orientation"]

[Text] [Ukrainian President] Leonid Kuchma's inauguration speech provides grounds for believing that, in his activities, the president may rely upon anti-Ukrainian and antidemocratic forces. The Eurasian area, where the president sees Ukraine in leading roles, is nothing other than the area that is subordinated to Russia both economically and politically. The stronger Ukraine's ties with it become, the greater will be its dependence upon Russia. Historically, geographically, and geopolitically, Ukraine belongs to Europe. New technologies and democratic traditions can come to Ukraine primarily from Europe. Economic contacts between Ukraine and Russia are necessary, but they must be aimed at establishing Ukrainian independence and not at transforming Ukraine into a neocolonial state.

On that same day that Leonid Kuchma swore allegiance to Ukraine, the meeting of ministers of defense and ministers of foreign affairs of CIS countries discussed the issue of a single citizenship, common borders, collective defense, and the parliamentary assembly (Supreme Council) of the CIS countries. If the Ukrainian president supports Russia's plans for transforming the CIS into a new state, something that may be regarded as the "rules of the game" about which Leonid Kuchma spoke, then these rules will lead to a bloody conflict or even to war, since Ukraine will never join a new empire voluntarily.

The president's wish to grant official status to the Russian language cannot be regarded as anything but deliberate stirring up of the passions that rage in a society infuriated by economic difficulties. It is clear to conscious people that there is no difference between the terms "state" and "official" language. Thus, two state languages are actually being imposed upon Ukraine. This is even at variance with the Law on Languages that was approved by the Supreme Soviet in the times of the Ukrainian SSR and is in line with the policy of Russification that was conducted by the tsars and the Kremlin leaders. Yes, like in any state, people of all nationalities live in Ukraine side by side with the indigenous Ukrainian people. Proceeding precisely from this, we must see to it that every language on the territory where its native speakers form a dense majority, be given an official status, alongside the Ukrainian language. In [Kuchma's] speech, the Russians in Ukraine are opposed to the Ukrainian people and to national minorities. In practice, two state languages mean domination of one language—Russian. Are we going to be returned to those times when neither science, nor education, nor the Army, and nor the industry used the Ukrainian language?

Leonid Kuchma's speech will objectively do good to supporters of "one and indivisible" [Russia] and not to harmony in society or to cooperation with all political forces. For that reason, we demand that the president specify his positions and suggest that he meets, for the purpose, with representatives of political parties and organizations of democratic orientation.

Chairman of Ukraine's People's Rukh [Movement for Perestroyka] V. Chornovil

Chairman of Ukraine's Republican Party M. Horyn

Chairman of Ukraine's Democratic Party V. Yavorivskyy

Hetman of the Ukrainian Cossackdom V. Mulyava

Chairman of the All-Ukrainian Society "Prosvita" [Enlightenment] P. Movchan

Chairman of the Democratic Association "Ukrayina" D. Pavlychko

Kuchma Reportedly Gives 'Reds' 'Written Commitments'

WS2707114694 Lvov POST-POSTUP in Ukrainian 21-27 Jul 94 p 1

[Report by Serhiy Trashutin: "Leonid Kuchma Has Placed a Stake in the Left"]

[Text] "Leonid Kuchma has placed a stake in the left"—this statement was made by Anatoliy Volchenko, leader of the Kharkov organization of the Ukrainian Civic Congress, at a news conference of the "Union" bloc in Kharkov on 18 July. The bloc comprises the Communist Party [KPU], the Socialist Party, the Civic Congress, the Labor Party, and the Party of Slavic Unity. Volchenko maintained that from now on the newly elected president will rely on the left and left-centrist forces in the Supreme Council and elsewhere.

There has been a certain progression in this direction. A series of meetings are currently being held between Kuchma and the "reds." Volchenko pointed out that People's Deputy Kashlyakov, who had been a KPU candidate, took part in the meetings. Kashlyakov, who was present at the news conference, did not deny his colleague's statement. Volchenko then told the participants that Kuchma's negotiations with the left had been held after the first round of elections. In exchange for supporting Kuchma's candidacy, the left had been presented with some written commitments. The speaker, however, did not comment in detail on the content of those commitments. Meanwhile, he pointed out that Kuchma was abandoning the Interregional Bloc of Reforms [MBR] and [its leader] Volodymyr Hrynyov. Kuchma's declared desire to cooperate with Prime Minister Masol demands attention, and so does the ardent support for the new president voiced by Hrynyov's and MBR's personal enemy, former People's Deputy Meshcheryakov.

Deputy Kashlyakov, too, paid lip service to Kuchma, emphasizing that the leftist forces are not going to limit presidential powers and are ready to grant the president the full volume of it.

As has become known in Kharkov reporter circles, the city newspaper SLOBODA—which backs Kuchma, Hrynyov, and Kushnaryov—has copies of those written commitments. Volodymyr Znakovskyy, deputy editor in chief of SLOBODA, has declined to comment on those claims, which makes the latter seem even more probable.

New Interior Minister Approved

LD2707193294 Moscow INTERFAX in English 1809 GMT 27 Jul 94

[Text] The Ukrainian parliament confirmed Vladimir Radchenko, 46, as interior minister at its evening session Wednesday [27 July] by a vote of 248 out of the 294 present. He was nominated by President Vladimir Kuchma.

Radchenko was deputy chairman of the Security Service and head of its anti-corruption and organized crime department.

Radchenko argued that crime posed a serious threat to the Ukrainian state.

He said that a total of 286,000 crimes had been committed in 1994, a 12-percent rise on the same period last year. He emphasized that half of them were serious crimes and one third were committed by criminal gangs. Radchenko said that 141,800 crimes had been solved.

He said that his ministry had to take emergency steps against criminal gangs and fight tax evasion and privatization irregularities.

He promised that he would see to it that officials in his ministry carried out their duty properly.

Radchenko said that he would revise the management structure in the country's law enforcement agencies and strengthen the Interior Ministry units on the cutting edge of crime fighting.

Pledges To Fight Crime

LD2807103494 Kiev UNIAN in Ukrainian 0745 GMT 28 Jul 94

[Text] Kiev—The Supreme Council of Ukraine on 27 July confirmed Volodymyr [Ivanovych] Radchenko, the former deputy chief of Ukraine's Security Service, in the post of Ukraine's minister of internal affairs. In his speech he described the present crime situation in Ukraine. In his words, the number of attempts on people's lives, crimes perpetrated by organized groups, the use of weapons, and economic crimes is increasing. Speaking about a solution to the situation, Volodymyr Radchenko stressed the need to raise responsibility beginning with the rank and file and ending with the minister, localizing criminal groups, and coordinating all subunits for the fight against crime. He also supports a review of the interior affairs bodies to strengthen the subunits that are fighting organized crime at the expense of the present staff.

In reply to questions from deputies, Volodymyr Radchenko gave assurances that in his work he will be guided first and foremost by the constitution and not by orders from above. He expressed the conviction that the leader of such a ministry as the Ministry of Internal Affairs "should not be in the post for more than two years."

He also noted that, obviously, to more effectively combat crimes on the roads, it makes sense to create a subunit of the State Automobile Inspectorate within the structure of the criminal investigation branch.

According to Volodymyr Radchenko, he was decorated with the "Badge of Honor" for taking part in detaining a terrorist group, and he spent a short time in Spain "carrying out orders." He said that he has played an active role in preparing the presidential decree on intensifying the struggle against organized crime, that he fully supports it, and the he considers that the article on preventative detention of a suspect for perpetrating a crime for up to 30 days is expedient.

The parliament also ratified a treaty on consular relations between Ukraine and Kazakhstan and a cooperation and friendship treaty between Ukraine and Uzbekistan.

A statement from the "Statehood" deputies' group was read aloud. It condemned representatives of left-wing deputies' groups who are picking political quarrels and causing antagonism.

Petro Sheyko, the chairman of the Supreme Council commission for issues of procedure, deputies' ethics, and ensuring deputies' activities, said that as a result of the incident—the fight between deputies Yaroslav Kendzyor and Oleksandr Chupakhin—the commission will hold a meeting and inform the parliament of its findings. According to UNIAN, this concerns people's deputy Yevhen Chulakov (Peasant's Party, Dnepropetrovsk oblast) who in a speech from the rostrum abused Ukraine's state symbol.

Runoff Elections Valid in About 50 Percent of Districts

AU2707120094 Kiev HOLOS UKRAYINY in Ukrainian 26 Jul 94 p 1

[Unattributed report: "At the Central Electoral Commission for Elections of Ukraine's People's Deputies"]

[Text] Over the whole of Sunday [24 July], the Central Electoral Commission analyzed and summed up operational data supplied from electoral districts. The results of this quite significant process, by the evening of 24 July, are as follows: The elections took place in 60 out of 112 districts; this is somewhat greater than one-half of the total number of districts where they were held.

Throughout the day, voters in Poltava, Rivne, Zaporizhzhya, and Khmelnytskyy oblasts were highly active. By the end of the day, Donetsk, Vinnytsya, Ternopil, and Cherkasy oblasts also showed heightened activity. In the aforementioned regions, between 54.6 and 60.7 percent of voters expressed their civil position by voting for a particular candidate.

The Central Electoral Commission states that, this time, the citizens' activity was lower than during preceding elections. Voters in Kherson, Nikolayev, Kharkiv, Sumy, and Odessa oblasts showed a low level of activity: Less that one-half of the total number of voters went to the polling stations.

The elections did not, unfortunately, take place in a single of the 18 electoral districts in Kiev and in seven out of 10 Crimean electoral districts.

The Central Electoral Commission continues processing the information it has received.

* * *

According to tentative data, 20 Ukraine's people's deputies have been elected. Among them, there are such prominent state and political figures as V. Nedryhaylo [deputy minister of internal affairs], O. Yemets [former minister for nationalities and migration], V. Hladush [former vice prime minister], Yu. Yoffe [former vice prime minister], P. Lazorenko [chairman of the Dnipropetrovsk Oblast Council], V. Hetman [former chairman of Ukraine's National Bank], and others.

Thus, Ukraine's Supreme Council now has 354 people's deputies.

First Deputy Premier on Reform, Statehood

WS2807090194 Kiev KIYEVSKIYE VEDOMOSTI in Russian 22 Jul 94 p 3

[Interview with Valeriy Samoplavskyy, Ukrainian first deputy prime minister, by Larysa Zhalovaha; place and date not given: "Instead of Restoring Order in Our Home We Are Looking for a Scapegoat"]

[Excerpts] [Passage omitted] [Zhalovaha] How do you assess Ukraine's progress in implementing economic reform?

[Samoplavskyy] I am against simply dividing people into those who advocate a market and those who support administrative control over the economy. Every unbiased man listening to Vitaliy Masol's inauguration speech before the legislature, however, must have realized that the prime minister is definitely going to carry out reform, for there is no other option. First of all, we must stabilize the situation and halt the economic slump. We need precise, calculated economic measures. I would not risk claiming that everything can be improved with one fell swoop. This will take labor and patience.

[Zhalovaha] What have we been doing with the economy until now to make the need for stabilization so urgent?

[Samoplavskyy] The engine was on, but the car was not in gear, hence, there was no movement. There are many reasons for this—both objective and subjective. The gigantic increase in prices for Russian oil and gas cannot be disregarded. Many managers in the provinces were dumbfounded and stopped thinking about production. The primary reason, however, is the lack of firm political will for the steadfast implementation of reform. Let me cite one example from a sector which is very familiar to me. There is a dramatic shortage of forests in Ukraine and we can only meet 30 percent of Ukraine's demand for lumber. Meanwhile, all the forestry equipment—including chain saws, tractors, and trailers—is produced in Russia. Since 1990, we have been left alone with our problems. Not waiting for guidelines from above we initiated direct contacts with those Russian enterprises whose products we needed, and this worked.

[Zhalovaha] Do you believe that fruitful economic cooperation must be backed by political union?

[Samoplavskyy] Intergovernment treaties must be signed and firmly observed. I have been in office for three days now and here I have a "CIS" file. Those documents paint a miserable picture—Ukraine often failed to observe treaties on shipments to Russia. Thus, we must begin with ourselves, for otherwise there can be no constructive dialogue with Moscow. We have to stop approaching other countries as if we were beggars. To receive or buy something one should offer or sell something in exchange. This must become a rule. Every failure to live up to commitments must be scrupulously analyzed. If there are no objective reasons, the guilty parties must be ruthlessly punished. [passage omitted]

[Zhalovaha] I still want to hear your answer to my direct question: Do you advocate political union with Russia?

[Samoplavskyy] No. At this stage, and in light of the current situation in Ukraine, a political union is out of the question. I believed and I still believe that the Cabinet of Ministers must primarily deal with economic, rather than political issues.

[Zhalovaha] Is that possible?

[Samoplavskyy] Not quite, but we must strive for this.

[Zhalovaha] Are you not worried that when government officials speak about restoring disrupted economic ties, certain forces in the legislature identify this process with the restoration of the Soviet Union? When one speaks about stabilization, deputies demand that privatization be discontinued....

[Samoplavskyy] Thank God, this is the standpoint of individual deputies and not the entire Supreme Council. In my opinion, the Supreme Council chairman does much to promote the domination of centrist, rather than extremist, views in parliament. By no means should we speak about a return to the past. Having worked for five years in the "one and mighty Soviet Union," I know that economic ties were breaking down in those days, too. The USSR State Committee for Planning existed, but uncontrolled processes were under way because the administrative-command system was becoming obsolete. The need for reform was becoming urgent. Meanwhile, we tend to attribute all our troubles to disrupted political ties—this is not correct. Behind all this talk there is one question—will there or will there not be the Ukrainian state.

Every night, as a rule, I watch Ostankino Television and then, Ukrainian Television First Program. Whenever there is a problem in Ukraine, it is presented as a national catastrophe. However, when there is a report about Russian miners who have not been paid for three months, this is presented as a minor fact, given that reform is under way in Russia. I am analyzing documents and Russian economic indicators; I also maintain contacts with my friends working in Moscow. I think that talks about the prosperous Russian economy are somewhat exaggerated. Thus, how can one say that the cause of our problems lies in the fact that Ukraine has become independent? Could you show me a single country, even the poorest one, whose people would say: We are unhappy, take us, for we do not want to be a state; we do not want to be free. Meanwhile we, instead of rolling up our sleeves and restoring order at home, we have been looking around in search of a scapegoat.

[Zhalovaha] Do you not think that this is a very unpopular way of thinking? People talking about Ukrainian independence might soon be regarded as politically obsolete.

[Samoplavskyy] One's views should not depend on conjuncture. Incidentally the president never, in any of his campaign speeches cast doubt on our statehood. Moreover, Leonid Kuchma stated at his first postelection news conference that he would be president of the entire state and not its individual regions. In his inauguration speech, Leonid Kuchma emphasized: "The state is for people and not people for the state." It is very important that the Crimean electorate voted for President Kuchma. This gives grounds for some moderate optimism. I am sure that there is no going back to the former Soviet Union. Something resembling the EC, however, might be a good idea. [passage omitted]

Official Says Privatization To Continue

AU2807070994 Kiev MOLOD UKRAYINY in Ukrainian 26 Jul 94 p 1

[Interview with Volodymyr Pryadko, chairman of Ukraine's State Property Foundation, by Volodymyr Oliynyk; place and date not given: "Nobody Will Be Able To Halt Privatization. Everybody Will Get His Own Certificate"]

[Text] It was not by accident that I met with Volodymyr Pryadko precisely now, as after his report to Ukraine's Supreme Council session, when a group of communist deputies called for halting privatization, many people got an impression that it might really be halted in Ukraine. There is no need to remind anyone what threat this might constitute for the establishment of market relations in the state, how this would be reacted to by the world community, and how detrimental it might be to Ukraine's image in these difficult times.

[Oliynyk] Mr. Pryadko, what is your impression of your report's discussion at the Supreme Council?

[Pryadko] The speech at the Supreme Council session had not been planned beforehand, and that is why such a formulation of the question is unexpected. However, despite that, we prepared it, since, in accordance with legislation, the Foundation must report to the Parliament. Proceeding from the draft decree prepared by a group of deputies, it was difficult to expect that the report would be straightforward. There was a danger that privatization would be suspended. Indeed, interesting things took place in the Parliament—the majority of communist deputies stated openly that they wanted to halt privatization or at least replace the leadership of the State Property Foundation with their own people. However, these deputies seem to forget that Ukraine's Foundation of State Property fulfills laws approved by their predecessors. In other words, we work in accordance with the legislation. If this does not suit somebody, it is not a problem of the Foundation's leadership, but of the concept and legislation. That is why I believe that it is necessary to work more with new deputies. We already do that through organizing meetings with parliamentary commissions and explaining the course and prospects of privatization. It is a different matter that the legislation needs to be amended, but it must be done in such a way that privatization does not stop.

[Oliynyk] The communist deputies got into the parliament precisely because they had vowed during their election campaign to put an end to misappropriation ["prykhvatyzatsiya"]. One can understand them now. Besides, the media also added fuel to the fire by reporting on numerous violations and abuse that accompany the process of privatization. What will you say on this?

[Pryadko] The notion "misappropriation" indicates that people, including people's deputies, do not understand privatization processes. Nor do they understand the rules of the privatization game. What is privatization? I generally reject the definition "misappropriation"; we have an arbitration court and the Procurator's Office, so that if there are illegal actions, this must be considered there, and not at the level of populist statements.

With regard to the game that is played by the State Property Foundation at the level of general state ownership and its regional departments, I reiterate that the process of privatization proceeds strictly in conformity with the legislation. When a question arises that we, allegedly, do not work properly, please, alter the legislation and let us do something different.

I spoke at the session and refuted some assertions to the effect that 19 percent of state property had been privatized by 1 percent of Ukraine's citizens. This is not true. Altogether, just 9 percent of state property has been privatized, and 4.0 percent of Ukraine's population has become its owners. In 80 percent of privatized enterprises, labor collectives have become owners.

[Oliynyk] In this context, I would like to ask in which regions of Ukraine privatization is proceeding best.

[Pryadko] Altogether, about 5,500 enterprises have been privatized in Ukraine, but the process is not uniform in all regions. For example, Kiev, Zaporizhzhya, Dnipropetrovsk, Donetsk, and Lvov oblasts show the best results. Incidentally, communal property is particularly well privatized in Lvov.

[Oliynyk] Do international funds help in the privatization process?

[Pryadko] I am pleased with my cooperation with foreign advisers; the "Tasis" program is being quite well implemented in Zaporizhzhya and Luhansk oblasts, where pilot privatization projects are being put into practice.

The same can be said about the International Financial Corporation, which helped in privatizing communal property—the so-called "lesser privatization." The training and educational program of "Price Waterhouse" is also proceeding quite well. Together with them, we designed certificates, which had to be supplied to Ukraine by 1 August [1994], but, for certain reasons, their delivery was delayed. Notwithstanding all this, everybody will have a privatization certificate printed in the United States at the expense of the Americans.

[Oliynyk] Many of our readers worry that privatization is limited in time and that not everybody will manage to make use of it.

[Pryadko] I want to reassure the population. We will see to it that market transformations proceed, but privatization is not limited in time. We are not advocates of this [setting deadline to privatization]. It is a different matter regarding lesser privatization: Privatization of stores, hair-dressing saloons, or shops must be of mass nature and quick. Regarding large or medium- size enterprises, one needs to be very careful; it is necessary to specify strategic branches for the state. That is why the citizens should not make any hasty decisions, must carefully think over everything, and only then invest their privatization certificates in some joint-stock society of their preference or in some enterprise.

Masol Emphasizes Production, Budget Revision

LD2707180894 Moscow INTERFAX in English 1628 GMT 27 Jul 94

[Text] Stepping up production, forming a budget according to new principles, the reduction of taxes and the restructuring of wages are the chief priorities of the government, the Ukrainian Prime Minister Vitaliy Masol told the First Congress of Engineering Workers in Kiev on 27 July.

He said that the government would support only competitive factories which increase production and vitally important branches industries such as pharmaceutics. Masol said he believes that subsidizing outdated and hopeless factories leads nowhere.

On the other hand, he called for the discontinuation of tough monetary practices which, in his view, had led to the sharp decline in production (by 36 percent in the first six months of this year from the same period in 1993). He said that the payment backlog and the unbalanced national budget were the causes of the economic crisis in the country.

He admitted that the state had lost control over economic processes.

Masol said that the government had an understanding with the National Bank that the discount rate would be reduced from 190 percent to 175 percent and later to 140 percent.

He said that a government ordinance was in preparation on changing the deadlines for the indexation of the fixed assets in factories. He explained that if this was not done, prices would increase by a factor of 1.4.

Masol called for taking urgent steps to secure the Russian market which, he said, is vital for Ukraine and for a more balanced conversion to civilian production in which a closed industrial cycle would be created.

Masol argued that the privatization process should by no means be stopped. He said that the emphasis had to be placed on the privatization of small businesses.

Regulations on External Economic Activity

LD2707210294 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 27 Jul 94

[Text] The Ukrainian External Economic Relations Ministry has drawn up and approved regulations on performing external economic activity in Ukraine. It is in order to implement the presidential directive on urgent steps to return to Ukraine the currency earnings that are illegally outside it that this enforcible document is being brought into effect.

The regulations make provision for all individuals and corporate bodies engaging in entrepreneurial activity to declare quarterly their currency earnings within 15 days after the end of a quarter. A certificate of declaration, which is handed to those making such a declaration is the ground for the acceptance of exports and imports for customs clearance, the execution of banking currency operations, and the performance of other kinds of external economic activity. It is impossible for external economic transactions to go through without a valid certificate of the declaration of currency earnings, incomes, and property, that belong to a resident of Ukraine and are outside it, held by the resident.

Radetskyy on Kuchma's Relations With Army

WS2807123294 Kiev KIYEVSKIYE NOVOSTI in Russian 22 Jul 94 p 3

[Interview with Ukrainian Defense Minister Vitaliy Radetskyy by Georgiy Chernomorskiy; place and date not given: "The Army Is Being Abandoned by Young People—Its Future"]

[Text] Quite a lot can be heard in the halls of parliament as well as outside the legislature about encrypted telegram No. 413, which was sent to the Army units on 30 July. These rumors suggest that the minister ordered the commanders to take all necessary measures to ensure the victory of Leonid Kravchuk in the presidential elections. Our reporter asked Defense Minister Vitaliy Radetskyy to comment on these rumors.

[Radetskyy] There were 320 closed polling stations in the Ukrainian Armed Forces before. The Defense Ministry, along with the Central Election Commission, reconsidered this provision and—by the beginning of the first round of presidential elections—reduced this number to 61. Only 29 polling stations—two in Yugoslavia and the remaining in far-away garrisons stationed in forests and on ships at sea—were left by the beginning of the second round. You should agree that if there is any chance to influence the will of the electorate, which I strongly doubt, it is much easier to do this at a closed polling station. As for us, we have reduced the number of such facilities by 10 times.

[Chernomorskiy] What were the results of voting at these 29 polling stations?

[Radetskyy] In some units servicemen supported Leonid Danilovich [Kuchma], while in others—the former president, however, there were units where the votes were divided equally between the two candidates. Our servicemen primarily supported Kuchma.

[Chernomorskiy] Let us, however, come back to that unhappy encrypted telegram. Did it exist or are these only rumors?

[Radetskyy] It existed, however, under another number, and mildly speaking, with a completely different gist. It did not call upon the servicemen to vote for Leonid Makarovich Kravchuk.

[Chernomorskiy] Some say that the president's name was mentioned three times....

[Radetskyy] Look, the defense minister has found himself in a peculiar situation. The president—as supreme commander in chief—is my direct supervisor and I must carry out his orders without question. If a defense minister has some disagreements with the supreme commander in chief, let us say, on the issue of our military doctrine or other issues, he must explain his viewpoint and if his arguments are not taken into consideration, he should resign. Why am I explaining all this? A defense minister must work in full agreement with the supreme commander in chief. It is natural that this refers to our president. If Leonid Danilovich—he is very closely related to the Armed Forces and understands the everyday needs of our Army—believes that the defense minister is pursuing an incorrect policy in the Army, I will, of course, resign.

As for the former president, I can admit, to Leonid Makarovich's merit, that he never involved me in pre-election battles.

[Chernomorskiy] The document, which was sent to the Army only 10 days before the elections, could effect the distribution of votes.

[Radetskyy] I do not want to be two-faced. Yes, it could. I had, however, no other way out. The social tension in the Ukrainian Armed Forces reached its breaking point on the eve of our regular summer training period: Over 73,000 servicemen were without housing, they received miserable allowances on which it was difficult not only to support a family, but even an individual servicemen. The Army is being abandoned by young people—its future.

[Chernomorskiy] We hoped that some 2,000 officers—who graduated from higher military establishments in Russia—will return to the fatherland. Only 600 officers have returned. We are facing a completely new phenomenon. We began receiving applications from officers who wish to perform their service in the Russian Army because allowances and pensions are higher there. I wrote about all this in my report to Ukrainian President Leonid Danilovich Kuchma. I have every reason to believe that the supreme commander in chief will understand the needs of our servicemen.

Belarus

Lukashenka Takes Responsibility for Economic Reforms

LD2707165694 Moscow INTERFAX in English 1516 GMT 27 Jul 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] President Alyaksandr Lukashenka, of Belarus, has confirmed his commitment to the idea of uniting the monetary systems of Belarus and Russia. President Lukashenka said he shared the approaches contained in the September 1993 inter-governmental agreements. Lukashenka said that unlike documents signed in Moscow last April, they do not affect psychological, legal or moral interests of either country or people. IF Note: The Russian Prime Minister Viktor Chernomyrdin and his Belarusian counterpart Vyacheslav Kebich signed agreements that would strip the National Bank of Belarus [NBB] of the right to independently issue money in the second phase of unification. That would turn the NBB into an office of the Central Bank of Russia. Many influential politicians, including parliamentary speaker Mechyslaw Hryb described that item of the agreements as an attempt to upset the Constitution and infringe the state sovereignty of Belarus.

The future of the monetary union with Russia would be the main issue on the agenda of President Lukashenka's meeting with President Yeltsin, scheduled for 3 August. "We have already spent the time limit on all sorts of coordinations and protocols and concrete steps are now to follow," Lukashenka said. "It's time we handled the main questions—economic ones."

President Lukashenka said that the idea of his election campaign—resolving the monetary union problem from below—was discussed and met with full understanding from Russia's Vice-Premier Aleksandr Shokhin." "The path to the normalization and strengthening of relations with Russia lies through solutions to concrete economic questions that directly concern people's lives," President Lukashenka said.

He described as important and timely the visit of the managing director of the International Monetary Fund Michel Camdessus to Minsk, scheduled for Thursday, 28 July. "On the eve of my trip to Russia I would like to compare our positions to ensure that neither Belarus nor the West should have any illusions about each other and get a clear idea of what line of action to take," Lukashenka said.

President Lukashenka was evasive, when asked whether any agreements would be signed with Michel Camdessus. He confined himself to saying that a package of agreements was ready. Without revealing its content President Lukashenka said that the signing would depend on the situation: if they benefit Belarus, the agreements will be signed.

President Lukashenka confirmed his intention to bring up the question of convening an early session of parliament. (The regular session of parliament is due to begin on September 27—IF.)

President Lukashenka said that Belarus had formed two groups to work on a program for ending the economic crisis. President Lukashenka said that he was not going to follow the vicious practice of seeking the program's approval in parliament in order to be able to blame everything on the law-makers, should the program fail. "I do not even support proposals by some members of my team for making the government responsible for the state of affairs in the economy. At this critical moment I take personal responsibility for all economic reforms," President Lukashenka said.

He said an early session of parliament was necessary to adjust the current legislation in the field of personnel polices, local self-governing, industrial management and state property management in general. Without disclosing the gist of planned changes he said that the first round of consultations on those questions with the leaders of regional governing bodies was positive and that the regional management link supported presidential initiatives.

Ambassador Views 'Big Treaty,' Monetary Merger

WS2707134194 Minsk ZVYAZDA in Belarusian 26 Jul 94 p 1

[Interview with Belarusian Ambassador to Russia Viktar Danilenka by Yuras Karmanaw; place and date not given: "Viktar Danilenka: 'Big Treaty With Russia Should Avoid the Fate of Previous Declarations'"]

[Text] Our correspondent has asked Viktar Danilenka, ambassador extraordinary and plenipotentiary of Belarus to Russia, to analyze the situation in connection with the upcoming meeting of the Belarusian and Russian presidents.

[Karmanaw] Viktar Dzmitryyevich, will a big treaty with Russia, the expediency of which has been mentioned by A. Lukashenka, not repeat the fate of previous declarations, of which there is such an abundance in the history of Belarusian-Russian relations?

[Danilenka] I think that it will not. The treaty on the strengthening of good-neighborly relations between Russia and Belarus touches upon not only the economic sector. The process of coordinating positions are currently under way with regard to economic, political, and military provisions of the above-mentioned treaty. I think that by 2 August all of them will be brought in line with the desire of both sides.

[Karmanaw] Previous agreements concerned, for the most part, economic relations between Belarus and Russia. What priority will be given to the issues of economic cooperation in the treaty?

[Danilenka] It is expected that they will be of a rather high priority. The economic part of the treaty pertains to the lifting of customs duties, according to the agreement concluded in April. The issue of reviewing the terms of Belarus' debt to Russia, which already amounts to 1 trillion rubles, is also being examined. The allotment of a new credit to Belarus in the amount of 750-800 billion rubles will also be discussed at the upcoming meeting.

[Karmanaw] Is the allotment of the credit connected with the fate of former Prime Minister Kebich, in which the Russian leadership has taken an interest?

[Danilenka] It seems to me that we are building not interpersonal relations, but interstate ones. Therefore, nobody in Russia poses the question in this way. Even if Russia refuses to grant the credit to us, it will be connected first of all with Russia's own heap of problems. Russian leaders, however, respect the choice of the Belarusian people, which was confirmed by [Russian Deputy Prime Minister] Shokhin during Lukashenka's inauguration, and are ready for cooperation.

[Karmanaw] What will become of the agreement on the monetary merger between Belarus and Russia?

[Danilenka] The positions are currently being coordinated with regard to the proposals submitted by the Belarusian side. This refers to the provisions of the agreement, which contradict the Belarusian Constitution.

[Karmanaw] What if Moscow does not make any concessions?

[Danilenka] Such an option is also taken into account. In this case, we will be forced to drop the idea of a monetary merger for the time being. The Belarusian side is not going to break the Constitution, therefore, there will be no concessions on our part. This was stated by the Belarusian president.

[Karmanaw] Rumor has it that the military provisions of the treaty will provide for the prolongation of Russian troop deployment on Belarusian territory.

[Danilenka] Such an agreement is in fact being worked out. It is expected that postponing the term of Russian troop withdrawal from Belarusian territory will benefit both sides. The Defense Ministries of Russia and Belarus are preparing a package of agreements on military cooperation. It is too early to discuss the results of our work. They will be made known on 2 August.

Moldova

Chisinau-Dniester Talks Resume After 3-Month Break

LD2707200194 Moscow Ostankino Television First Channel Network in Russian 1400 GMT 27 Jul 94

[From the "Novosti" newscast]

[Text] We have just received a telegram from Kishinev [Chisinau]. After a three-months' break, the process of talks on peaceful settlement to the Dniester region conflict resumed in Moldavia [Moldova] today. The first meeting of working groups of experts from Kishinev and Tiraspol took place in Kishinev. They will draw up a draft legal status of Moldovia's Dniester region. The document is to become a basis for the talks between leaders of Moldavia and the Dniester region that started last year with CSCE and Russian mediation.

Chisinau Opposition Rally Scores New Constitution

MM2707142194 Moscow PRAVDA in Russian 27 Jul 94 p 1

[Unattributed report from PRAVDA correspondents, POSTFACTUM, and ITAR-TASS column: "Moldavians' Rally Against...Moldavian Language"]

[Text] Around 3,000 people who responded to the opposition Christian-Democratic People's Front call to Sunday's rally in Kishinev [Chisinau] protested a number of articles of Moldavia's [Moldova's] new constitution, adopted by parliament at its second reading. In particular, it was proposed that the section granting the Dniester and Gagauz regions special autonomous status be abrogated, and that the state language be called not "Moldavian" but "Romanian."

Chisinau Likely To Receive 45 Million ECU Loan

LD2607121994 Moscow INTERFAX in English 1044 GMT 26 Jul 94

[Text] The European Union will extend Moldova a 45 million ECU long-term loan to support its balance of payments, an informed source in the Moldovan Government told the Financial Information Agency Today.

The source said that under a preliminary agreement, the loan will be granted at 10 percent annually for 14 years. This money will be used, above all, to pay for imported energy and fuel.

Moldova imports about 90 percent of the fuel it consumes.

The terms of the credit will be finalized on 26 and 27 July in Brussels, where a credit agreement is expected to be signed. The Moldovan delegation includes representatives of the Economics Ministry and Chairman of the National Bank of Moldova Leonid Talmach.

Dniester Statistics Department Reports Economic 'Slowdown'

AU2707192994 Chisinau BASAPRESS in English 2300 GMT 26 Jul 94

[Text] Chisinau BASAPRESS, 26/7/1994—The Tiraspol Statistics Department made public data indicating a considerable slowdown in the Dniester economic activity during January-June 1994. A sharp decrease in industrial output has occurred and inflation has increased. According to statistics, around 50 percent of Tiraspol enterprises have closed down or operate considerably under their productive capacities. In the first half of this year, the average salary in Dniester stood at 257,000 Dniester rubles ($10), while the value of the minimum consuming basket grew to one million Dniester rubles. According to statistics, the prices for foodstuffs in January-July 1994 increased 30 times compared with the same period of 1993, and 32 times for industrial goods. Previously, Tiraspol speaker Grigore Maracuta declared in an interview published in Chisinau papers that, unlike the Moldovan leu, the Dniester ruble's relative stability is achieved not by artificial methods, but through mere economic: development, which thus tests the Dniester economy.

INTERFAX Interviews Parliament Speaker

LD2707215094 Moscow INTERFAX in English 1748 GMT 27 Jul 94

["Exclusive" report No. 30 of 80]

[Text] The Soviet Union's break-up did not put an end to the centrifugal tendencies. Georgia, Azerbaijan, and Ukraine are an example of this. In Moldova, too, Gagauzia and Transdniestria keep insisting on enhancing their state status. Today, INTERFAX talks with Moldovan parliament speaker GRIGORIY MARAKUTSA.

INTERFAX: On 28 April, the Moldovan and Transdniestrian leaders signed a joint declaration, thus making the first step towards each other after the 1992 armed conflict. Theoretically, this document was expected to set the stage for talks and for the settlement of the conflict. In fact, the process came to a halt. How would you explain this?

MARAKUTSA: The joint declaration, signed on 28 April, had a positive impact on the situation. It was welcomed by the local population, who want to live in peace and accord, and by international organizations which are closely following the developments in Transdniestria. Russia and the CSCE's permanent mission in Moldova, which assumed the role of mediators, also welcomed the move. Not long ago, we learned that the CSCE top officials positively responded to this action.

Indeed, it was Kishinev's [Chisinau] and Tiraspol's most significant move towards each other, for it could provide a solid basis for compromises. However, the Kishinev authorities began to interpret this document their own way, all of which spoiled the whole thing.

INTERFAX: What aspects of Kishinev's interpretation displease Tiraspol?

MARAKUTSA: One must understand that if Kishinev is determined to preserve a single state, Tiraspol will continue to insist on independence. This will lead us nowhere. So we made a compromise by agreeing to form up a single state with Moldova, which is a serious concession on our part.

The Transdniestrian leaders demonstrated that they were not planning to split the state or to become isolated, as many had asserted. However, Tiraspol agreed to preserve the unity on the condition that we determine our inner set-up on our own. This question must be tackled by the sides by mutual agreement and without external interference. Our main goal is to avoid any discrimination in a renewed Moldova. Its constituent members must have equal rights in all spheres. Tiraspol does not claim on membership in international organizations, such as the U.N. or the CSCE.

The joint declaration seemed to have documented the attainment of mutual understanding between Kishinev and Tiraspol. Moreover, the declaration granted Transdniestria a state status, included a provision on power-sharing and mutual delegation of authority, and heralded the establishment of state and legal relations. That might have been a good beginning for a dialogue.

However, shortly after the declaration was signed, the Moldovan leaders began to reject it. It is very upsetting, because it complicates the talks. One can't say that the negotiations have come to a halt—experts go on working. Moreover, an agreement on inter-bank cooperation has been signed and a branch of the National Bank of Moldova has been opened in Tiraspol. However, the accord on extending mutual credits by the industrial enterprises located on both banks of the Dniester is not being implemented. The Moldovan leu is not in circulation in Transdniestria, and its exchange rate to the Transdniestrian rubles has not been established.

All of these problems may be settled if permanent working groups are set up and if officials meet more often. Meanwhile, the Moldovan authorities do not want to deal with us on a par. This seriously complicates the dialogue.

INTERFAX: The Moldovan parliament has drafted a law on the status of the predominantly Gagauz regions. Judging by all accounts, it will be adopted soon. Not long ago, Moldovan President Mircea Snegur stated that the problem of Transdniestria might be solved the way the Gagauz problem was solved. How would you assess this idea?

MARAKUTSA: We think that in dealing with such a complicated problem, one should be guided by the situation in the region in question, without making any comparisons. One should not link the problem of Transdniestria with Gagauzia, where the situation is absolutely different.

The population of Transdniestria still remembers the war and the victims. The sides must meet each other half way. The declaration was the first ever document which did not accuse Tiraspol of all mortal sins and which contained Kishinev's official statement that the unleashing of the war in Transdniestria was the Moldovan leadership's mistake.

We highly appreciate this brave statement. But it is not enough to merely recognize one's guilt. Those guilty must be punished. There is no trust in our relations. Transdniestria is being accused of refusing to restore bridges across the Dniester. Indeed, we do oppose this idea, because we are not sure that we would not have to blast them tomorrow. For the beginning, Tiraspol has proposed the idea of disarmament.

The Declaration of Moldova's Independence says that Moldova is a demilitarized zone and a neutral state. Given this, we propose that Kishinev and Tiraspol eliminate all of their armed formations. The Moldovan Army is too weak and poorly equipped to protect the state from external aggression. So why keep it? For inner conflicts?

INTERFAX: What in your opinion should be done to restore mutual trust?

MARAKUTSA: The solution is very simple. Kishinev must recognize the results of the referendum and elections in Transdniestria, during which the people gave their full backing to the Transdniestrian Moldovan Republic. This would be a good starting point for talks.

INTERFAX: Some believe that the problem of the so-called Ilasku group seriously hampers the talks. What would you say about this? (The group of members of the Christian-Democratic People's Front of Moldova, led by Ilasku, was condemned in Transdniestria for charges of terrorism—INTERFAX.)

MARAKUTSA: Such an opinion is rather common. We consider the Ilasku group guilty of organizing terrorist acts during the conflict in Transdniestria. They were condemned and Ilasku sentenced to death for that. However, some international organizations asked us to reconsider the case. We are ready to discuss this problem, but we can't accept Kishinev's proposal on the unconditional liberation of the criminals.

The Transdniestrian leaders are not blood thirsty and no one is in a hurry to carry out the death sentence. If the relatives of the condemned appeal for their mercy and if a corresponding agreement is reached with the Moldovan authorities, the condemned will be passed to Kishinev. However, this is possible only on the condition that Transdniestria and Moldova jointly investigate the crimes or if an investigation and trial is held in a third country.

INTERFAX: How do you view the status of Russia's 14th Army located in Transdniestria?

MARAKUTSA: I've said on many occasions that the Russian Army was sent to the region neither by Brezhnev, nor by Stalin, nor by Lenin or other Soviet politicians. The Russian army came here 200 years ago by order of Catherine II, so I think it will stay here for a long time. The current politicians will not be able to solve the problem of its withdrawal.

Following the disbandment of the Moldovan and Transdniestrian armed forces, the 14th Army might become a strong guarantor of peace in the region. Its status may be defined in various ways—a military base, or a limited contingent of the Russian Army or of the joint CIS forces. The name does not matter. Given this, I can't understand the Moldovan leaders' plans to remain a CIS member exclusively on economic terms, excluding political and military cooperation. Imagine the G7 countries merely discussing economic problems and establishing political blocs with other countries.

INTERFAX: Lately, rifts have been growing between the command of the 14th Army and the Transdniestrian leaders. Some observers even predict that the Transdniestrian problems may be solved by Russia and Moldova without Transdniestria. The 14th Army may play a no small role in this. There are even rumors that the 14th Army may organize a coup in Tiraspol. What would you say about this?

MARAKUTSA: All this is mere speculation. Indeed, there are disagreements between us and Aleksandr Lebed, the commander of the 14th Army, but they are of purely personal character and have nothing to do with inter-state relations. The statements made by individual commanders do not reflect the opinion of the entire Army. Of course, very much depends on the commander, but one can't ignore the opinion of the Army. Commanders come and go, the Army, like the people, stay.

The Tiraspol leaders maintain traditionally good relations with the armed forces. We are currently building housing for the Russian servicemen at our own expense. About 700 flats will be put into service in Tiraspol this year. Many officers were born and grew up here, so we exclude the possibility of the Army's withdrawal, or a coup.

INTERFAX: Is there a real third force in the region besides the Transdniestrian leaders and the command of the 14th Army?

MARAKUTSA: In terms of struggle for power—I don't think so. I would even exclude the 14th Army, too. I don't think any of its commanders are struggling their way to power. Moreover, I don't see anyone in the Army who could run the country and be a true politician.

Also, there is much talk about the industrial lobby. Transdniestria is an industrially developed region. It is natural therefore that manufacturers pursue their interests here. The Transdniestrian leaders are giving them every possible assistance. The manufacturers are not craving for power. They are merely defending their interests. There are no other real forces. The radical

United Council of Work Collectives have lost its supporters. There are also people who are still nursing plans for building communism in a separate country. But the communists have not any serious support.

INTERFAX: The CIS press often describes Transdniestria as a preserve of communism and totalitarianism. How would you comment on this?

MARAKUTSA: I've never seen such preserves, so I can't say anything about this. Most often Transdniestria is described this way in Russia and Moldova, but there are a lot more communists in these countries' leaderships than in Transdniestria, particularly in Moldova, where the president, the parliament speaker and the prime minister are former secretaries of the former Communist Party's Central Committee.

We have neither demolished monuments to Lenin, nor changed the names of the streets. We simply don't want to spend anything on this or re-write the history. We are just trying to build a democratic state. For instance, all of the Kishinev newspapers are on sale in Tiraspol and not a single Tiraspol newspaper can be seen in Kishinev. It's a question the Kishinev democrats must think about.

The West also criticizes us, but we can't understand why they are using double standards. Why haven't they given us a single loan? As you know, Kishinev does not share any credits with us. Not a single humanitarian load has arrived in Tiraspol after the armed conflict.

On the other hand, why have the Helsinki principles on the inviolability of the borders in Europe been applied to Czechoslovakia and Germany, and not applied to Moldova? Why don't diplomats, particularly those accredited in Moldova, come to Transdniestria, despite numerous invitations, except, perhaps CSCE representatives? No one can give us any answer. Meanwhile, we are being accused of being anti-democratic.

INTERFAX: Is there a party of the war in Transdniestria now?

MARAKUTSA: Well, individual groups advocating a military way of settling the conflict can be found in both Kishinev and Tiraspol. In fact, if there hadn't been such people, there would not have been a military conflict in Transdniestria. Luckily, these groupings are not numerous—the people do not want to fight.

INTERFAX: What's the role of Russia in settling the conflict?

MARAKUTSA: Russia's role is enormous. As there are many Russians in Transdniestria, the population is looking at Russia with hope. We are grateful to Russia for everything it has done, above all for stopping the bloodshed. However, for the sake of objectivity, one must say that Moscow might have done a lot more. Its image would have only become even more attractive.

INTERFAX: Some say that you have your own lobby in the Russian authorities. Is this so?

MARAKUTSA: it would be too strong to say so. Indeed, there are people in Moscow who sympathize with us and who collected money in our support during the conflict. But all this is a merely human feeling. We value their support much more than their money.

INTERFAX: Now how about the Transdniestrian coupons printed in Moscow?

MARAKUTSA: The Russian Court of Arbitration resolved the problem in our favor. We are not pursuing any political goals by ordering the coupons to be printed in Moscow. We are experiencing a shortage of cash. Although the coupons do not bear any state symbols, Moldova demanded that Russia do not send the coupons to Transdniestria. Russia does not want to spoil relations with Moldova and is not giving us the coupons. Obviously we'll have to give up the idea, although we have spent several billion Russian rubles on having them printed. We'll probably have the coupons printed in another country. As to the banknotes already printed, let them remain on the conscience of Russia and Moldova.

Opposition Refuses To Discuss Draft Constitution

LD2707193494 Moscow INTERFAX in English 1809 GMT 27 Jul 94

[Text] The opposition faction of the Bloc of Peasants and Intelligentsia of the Moldovan parliament has refused to take part in the session which will discuss the draft constitution and is expected to approve it in second reading today. The faction of the Christian-Democratic People's Front was present at the session but did not take part in discussing the draft and in provision-by- provision voting on it.

Deputy chairman of the parliament, chairman of the ruling Agrarian-Democratic Party Dmitri Motspan told INTERFAX he believed that thus the opposition factions were protesting the decision of the parliament to include in the draft constitution a provision in accordance with which Transdniestria and the regions mostly populated by Gagauz would be given special legal status.

Motspan said that the attempt of the opposition to wreck the session would undoubtedly fail since the factions of the Agrarian-Democratic Party and Social Unity had 84 members while 68 votes (two-thirds) were required for adoption of the constitution as a whole.

When asked by an INTERFAX correspondent about further work by the parliament concerning the adoption of the constitution, Motspan said the parliament would continue provision-by-provision voting despite the opposition boycott. He added that all proposals of the opposition factions timely submitted to the constitutional commission would be discussed and voted upon.

Motspan stressed that if provision 111 admitting a special status of certain Moldovan regions was approved this would not provide for the federalization of Moldova as the opposition affirmed, but would give a real chance for resolving the conflict in Transdniestria and southern Moldova.

Minister Rules Out Joining CIS Politically, Militarily

AU2707194194 Chisinau BASAPRESS in English 2300 GMT 26 Jul 94

[Text] Chisinau BASAPRESS, 26/7/1994—Moldova will not adhere politically or militarily to the CIS, stated to BASA Nicolae Osmochesu, Moldovan vice foreign minister, commenting on the Moscow reunion of the CIS foreign ministers. The reunion's agenda included the adoption of the draft resolution on economic, political and military integration within the CIS. "We presented our reservations. We declared that we will proceed only to economic integration as the CIS statute excludes political and military cooperation," Osmochesu said. The draft resolution was not approved it will be discussed in the next session. The projects on the CIS representation within international organizations and the United Nations and its branches were not approved. According to him, the draft conventions on rights of national minorities and fundamental human rights and freedoms and the project on preparing for the 50th anniversary of the United Nations were approved. These documents will be signed during the meeting of the heads of CIS states to be held before the September meeting.

PDAM Meeting Examines 'Special Status' for Gagauz

AU2707192894 Chisinau BASAPRESS in English 2300 GMT 26 Jul 94

[Text] Chisinau BASAPRESS, 26/7/1994—This morning, a session of the Moldovan Agrarian Democratic Party (PDAM) faction took place. Moldovan President Mircea Snegur and the chairman of the self-proclaimed Gagauz Republic's parliament, Mihai Kendigelean, participated in the session. It was a closed doors meeting. According to local observers, the meeting with the Comrat leader is because the Moldovan Parliament will soon discuss Article 110 on the granting of a special status to the southern and eastern districts. After the meeting, Mihai Kendigelean stated to BASA that the sole purpose of his visit to Chisinau is the interest he takes in the opinions of the leading faction on the "Gagauz-Eri" special juridical status. "We are pleased by the discussion. We have no proposals and pretensions. We reached a common conclusion that we agree, in general, with the adoption of this draft in the first reading and its examination by articles," said Kendigelean, pointing out that the Gagauz people reached an understanding with the present governors when they voted for socialists and agrarians.

Fiscal Code To Be Introduced 1 Sep

AU2707193094 Chisinau BASAPRESS in English 2300 GMT 26 Jul 94

[Text] Chisinau BASAPRESS, 26/7/1994—Beginning 1 September 1994, fiscal code will be applied in Moldova: it is obligatory for all enterprises, institutions and organizations, including those founded with the participation of foreign investors, states a decree issued today by President Mircea Snegur. The decree states that the code is applied "to improve the methods of keeping track of taxpayers and budget revenues." Economic entities are obliged "to present the fiscal organs the declaration and certificate of being registered as taxpayers" to receive their fiscal code. The National Bank, commercial banks and other financial institutions as well as customs control organs will accept beginning 1 September the documents only of those enterprises that have a fiscal code. The use of a false fiscal code by the economic entity will entail financial sanctions: enterprises will pay fines of 75-100 minimum salaries, while officials from 10 to 20 minimum salaries. According to statistics, as to 1 June 1994 taxpayers did not pay 130 million lei ($32.5 million) to the budget.

Kazakhstan

IAEA's Blix Expected at Semipalatinsk Nuclear Site

MM2707131794 Moscow TRUD in Russian 27 Jul 94 p 1

[Report by Oleg Kvyatkovskiy: "As Long As It Does Not 'Wake Up'"]

[Text] Republic of Kazakhstan—A unique operation is beginning at the Semipalatinsk Test Range, which is now closed to nuclear tests. After long doubts and negotiations it has finally been decided to dismantle a nuclear landmine, which has lain in the mountains of Degelen for three years.

It cannot be detonated since the test range is closed, and a moratorium has been declared on all nuclear weapons tests. But, clearly, it also cannot be left "as is."

The weapon will be dismantled by specialists from Russia.

Nobody has ever carried out such an operation before.

Hans Blix, general director of the International Atomic Energy Agency [IAEA] has arrived in Alma-Ata [Almaty] with the intention of visiting the test range area. His visit should result in the signing of an agreement between the Republic of Kazakhstan and the IAEA on guarantees. The leaders of the well-known "Nevada-Semipalatinsk" public organization have already stated that a time will come when everyone will learn the real truth about the Kazakhstan atom. They will learn it and—shudder.

Incidentally, for those who currently live in the Republic it is far more important that the mountains of Degelen should not shudder when the specialists start digging out the bomb....

Says Radioactivity Level 'Normal'

LD2807082594 Moscow ITAR-TASS in English 0753 GMT 28 Jul 94

[Report by KAZTAG correspondent Anatoliy Tyshler]

[Text] Almaty 28 July (TASS)—Hans Blix, director-general of the International Atomic Energy Agency (IAEA), is to visit the former Semipalatinsk nuclear testing range today.

Blix met with Kazakh scientists on Wednesday [27 July] and said that IAEA experts had found that radioactivity level was normal both at the range and its surroundings.

Kazakh scientists disagreed. Nuclear tests had been done at the range for decades, as a result, radioactive substances have concentrated at a certain level below the surface. Plants absorb the radio-nuclides, which later get inside animals and, finally, human beings. That is why there are so many sick and disabled people in the area, they said.

According to previous reports, Blix and Kazakh Vice-Premier Sergey Tereshchenko signed a bilateral agreement on cooperation in the field of atomic energy. Blix described the document as an "important one which leads both parties to a new level of cooperation."

Kyrgyzstan

President, Parliament Speaker Urged To Observe Constitution

LD2707194094 Moscow Radio Moscow World Service in English 1800 GMT 27 Jul 94

[Text] In Kyrgyzia [Kyrgyzstan], the speaker of the parliament and the president of the Republic have been urged by leaders of eight political parties to strictly observe the Constitution. In a statement circulated to journalists, the leaders are demanding from the president and the parliament that the composition of the Central Electoral Commission should include representatives from each political party and the holding of fair and democratic parliamentary elections.

IMF To Open $104 Million Credit Line

LD2707181594 Moscow INTERFAX in English 1628 GMT 27 Jul 94

[Text] The International Monetary Fund will open a $104 million credit line for Kyrgyzstan under an economic restructuring program, Kyrgyz Prime Minister Abbas Dzhumagulov said at a press conference on Wednesday in Bishkek upon his return from working visit to the US.

He said the money will be released in three tranches over three years and go to support the budget. Kyrgyzstan should get the first tranche of $33 million by the end of 1994. The loan will be granted for 30 years at 0.75 percent interest with payments to begin in 10 years.

Dzhumagulov said he also reached an agreement with the World Bank on a $60 million loan, which will be provided on similar terms for projects in agriculture and related industries and to promote small and midsize consumer goods manufacturers. Dzhumagulov said the projects are most likely to be worked out by the end of the autumn.

He said Kyrgyzstan hopes to receive a total of $1.5 million from other nations and international financial organizations for economic restructuring (with $550 million to be received this year).

Tajikistan

Defense Ministry Confirms Clash With Opposition

LD2707112194 Moscow ITAR-TASS World Service in Russian 1020 GMT 27 Jul 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 27 Jul—An armed clash between the Tajik Government troops and an armed antigovernment group, as a result of which 12 National Army servicemen lost their lives, took place in the region of the Luli Kharvi pass in Tadzhikabadskiy Rayon at approximately 1500 hours local time on 26 July. An ITAR-TASS correspondent obtained this confirmed information at the Tajik Defense Ministry today.

Major Vasiliy Likholet, the press center head, said that three servicemen had been injured and seven had disappeared. Thanks to the arrival of reinforcements, the antigovernment group was repelled and went into hiding. Its whereabouts are unknown.

Official Denies Troops Captured

LD2707155194 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 27 Jul 94

[Text] Antigovernment fighters attacked the servicemen of the Armed Forces of the Republic on the border between Tojikobod and Garm districts yesterday. As a result of this attack, 12 were killed and three servicemen were wounded. The attack of antigovernment fighters was unforeseen. After arrival of reinforcements, the opposition fighters retreated and [words indistinct].

Major Vasiliy Likholet, employee of the press center of the Ministry of Defense, said in a telephone conversation that the opposition sustained great losses, but no data about the losses was available. A Mayak radio report alleging that the antigovernment fighters took several servicemen of the Tajik Armed Forces hostage is groundless. Maj. Likholet, speaking about the situation in Tavildarinskiy Rayon, said that the situation is under the control of government forces.

Ministry Spokesman on Search for Servicemen

LD2707181194 Moscow ITAR-TASS World Service in Russian 1415 GMT 27 Jul 94

[Report by ITAR-TASS correspondent Sergey Batyrev]

[Text] Moscow, 27 Jul—Heads of the international missions operating in the Republic [of Tajikistan] are joining in the search for the 56 Tajik servicemen captured almost a week ago by one of the opposition groups. As a high-ranking spokesman of Tajikistan's Foreign Ministry, who requested not to be named, told the ITAR-TASS correspondent over the phone today, the heads of the missions of the Office of the UN High Commissioner for Refugees, of the International Red Cross, and the Conference on Security and Cooperation in Europe will tomorrow set off for Tavildarinskiy Rayon where these servicemen were captured. They will attempt to establish contact with the forces which are holding the hostages.

"The Tajik Government has asked these international organizations to help by acting as mediators to bring about the freeing of the hostages", the Tajik Foreign Ministry spokesman said. He said that Dushanbe believes that if the situation round the captives is drawn out this could lead to an escalation of the conflict, something to which the Tajikistan leadership is resolutely opposed.

"We do not want to allow the armed conflict to worsen at a time when the republic is on the threshold of important political events—the adoption of the Constitution and presidential elections—he noted. Certain forces now want to disrupt the process of the normalization of the situation. There is no doubt that such a development would not be to the advantage either of the people of Tajikistan or of those Tajik citizens who are now outside the country."

The Tajik Government is continuing to make efforts with a view to freeing the hostages as soon as possible, the Foreign Ministry spokesman stated. He said that in particular one of the leaders of Tajikistan's Supreme Soviet is now taking part in this work. Measures are also being taken at a local level.

Opposition Denies Harboring Captives

LD2807084294 Moscow ITAR-TASS World Service in Russian 0434 GMT 28 Jul 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe, 28 Jul—The political council of the opposition democratic forces of Gorno-Badakhshan has categorically rejected a charge of harbouring on the territory of the Pamirs the Tajik servicemen who were taken prisoner by a Tavildarinskiy armed grouping on the night of 22 July. A statement by the political council issued for the media on Wednesday [27 July] stresses that "this is an attempt by certain political forces in the current Tajik leadership to accuse the Badakhshan Republic of aiding and abetting antigovernment groupings, including the harboring of POW's of the Tajik Army, and in this way to turn the main strikes of the government forces against the people of Badakhshan".

At the same time, the authors of the statement warn, any clash on the territory of the autonomous region is fraught with serious consequences. The statement points out that the people of the Gorno-Badakhshan autonomous region, who declared the Pamirs a zone of peace a year ago, are sacredly committed to this cause.

The statement is aimed at the governments of Tajikistan and the Russian Federation and the United Nations. Regarding the incident of the seizure of the Tajik servicemen in Tavildarinskiy rayon of Tajikistan, Ulfat-Khanum, the coordinator of the political council of the opposition democratic forces of Gorno-Badakhshan, told an ITAR-TASS correspondent on the telephone on Wednesday that, according to information at her disposal, a group of servicemen of the Tajik army, led by its commander, was not taken prisoner as the media is reporting, but voluntarily surrendered to the opposition grouping, explaining their decision by the fact that "they did not wish to fight Tajiks". At the same time, she stressed once again that they had nothing to do with this incident and that there were no Tajik servicemen on the territory of the Pamirs.

Olimov Asks UNHCR To Mediate Hostage Release

LD2807105694 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 28 Jul 94

[Text] Rashid Olimov, the foreign affairs minister of Tajikistan, yesterday met Pierre Francois Pirlot, the special envoy of the United Nations High Commission for Refugees [UNHCR].

In the course of talks views were exchanged on the incident which had taken place in the Tavildara region. Rashid Olimov said that the UNHCR should act as a mediator in releasing 56 soldiers of the Tajikistan Defense Ministry. The government of Tajikistan does not want to resolve this issue by means of force. It will take all measures to see that the officers and soldiers are released by peaceful means.

Francois Pirlot said all possible measures will be taken to resolve the issue. The meeting was also attended by representatives of the international [word indistinct] and the Red Cross.

According to information from the press office of the Defense Ministry, negotiations are continuing for the release of the hostages.

Fighting Continues

LD2807104594 Dushanbe Radio Tajikistan Network in Tajik 0800 GMT 28 Jul 94

[Text] The exchange of gun fire continued throughout yesterday and last night between the fighters of the Tajik opposition and forces of the Defense Ministry of Tajikistan in the Tavildara region. Afghan Mojahedin and other sell-out elements are among the opposition fighters.

Government forces have forced the militants to retreat and to give up fighting. The opposition militants have suffered many casualties, but the exact figure is not known.

Major Vasiliy Likholet, staff of the press office of the Defense ministry, in a telephone conversation told our correspondent that several soldiers of the Defense Ministry have also been wounded during these operations.

Russian Envoy Gives Yeltsin Letter to Rakhmonov

LD2707161994 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 27 Jul 94

[Text] Emomali Rakhmonov, the head of state and chairman of the Supreme Council of the Republic of Tajikistan today received Mecheslav Senkevich, the ambassador extraordinary and plenipotentiary of the Russian Federation to our country.

The Russian diplomat handed over a special letter from Russian President Boris Yeltsin to Emomali Rakhmonov. The issues related to reinforcing the border, jointly resolving this issue, and other issues are pointed out in the letter.

Similarly, other economic and social issues were discussed in the course of the meeting, which was held in an atmosphere of complete understanding on both sides.

Uzbekistan

Karimov Appeals To Local Regions to Act on Corruption

LD2707170294 Moscow INTERFAX in English 1516 GMT 27 Jul 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] President Islam Karimov called on the heads of the local power bodies of the Republic to begin severe struggle with corruption, bribery and racketeering. He spoke at a meeting of the heads of the regional, city and district administrations, the prosecutor offices, the courts and the regional law enforcement bodies in Termez (the administrative center of the Surkhandaryinsk Region) on Tuesday [26 July].

The meeting revealed cases proving that some leaders were involved in bribery, embezzlement of property and financial misdemeanor. Participants in the meeting said that such leaders were using the difficult times in their interests and committing crimes in order to become richer.

Karimov stressed that while strengthening Uzbekistan's independence it was necessary to defend the rights of workers and to preserve calmness, peace and accord in the society.

Karimov pointed out the necessity to strengthen the national currency of Uzbekistan (sum), primarily by bringing more consumer goods to the domestic market.

Armenia

Return of Manucharyan to Politics Possible

NC2707201094 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0718 GMT 27 Jul 94

[Text] Yerevan ("LRAGIR" daily), 07/27/94—Ashot Manucharyan had a confidential meeting, lasting two hours, with the RA [Republic of Armenia] President last week.

It is also reported that Manucharyan had a number of meetings with several regional representatives of ANM [Armenian Pannational Movement], as well as foreign politicians in Armenia.

The goal of these meetings is only known to the involved parties. Would Manucharyan return to politics, and what will be his status—all these questions may find an answer in the nearest future. It is possible that future meetings may significantly influence the outcome.

We would like to remind that Manucharyan said in an interview that he would have to come back to politics, if the situation in Karabakh aggravates.

According to other unofficial sources, criminal case against Manucharyan has been frozen. (He was charged with slander, having named the President a murderer at one of the recent populous meetings at the Liberty Square. "ARAGIL" AIP)

Russian Talks Delegation Head Criticized

944K1803C Yerevan GOLOS ARMENII in Russian 16 Jul 94 p 1

[Commentary by the GOLOS ARMENII analytical department, under the rubric "A Point-Blank Question": "What Will Be the Subject of the Next Joke?"]

[Text] After Russia allocated for Armenia R110 billion, one expected the contacts between the two states to perk up considerably. And so they did. Literally several days later an authoritative Russian Delegation headed by V. Oleandrov, a Russian Federation MFA's [Ministry of Foreign Affairs] special envoy, arrived in Yerevan. Official releases said that the visit's program included negotiations related to the development of bilateral interstate relations in the military-political and economic spheres. In domestic reports the emphasis was made on the economic aspect; the Ostankino "Novosti" program, on the other hand, dwelled more on the problem of placing Russian military bases in Armenia. In his interview to Armenian Television, the head of the Armenian delegation Minister of State Armenak Kazaryan, in very poor Armenian, which resembled more a hybrid of slang and [word illegible] style, also emphasized the importance of the negotiations' economic side, apparently well aware that, of all others, this aspect gets the greatest attention of the worn-out public.

While welcoming every step aimed at improving and intensifying relations with Russia, naturally, we are also interested that they be as effective as possible, and that all sorts of accidental phenomena would not become an obstacle in the implementation of programs supported by the absolute majority of the population.

In this connection, one cannot help but wonder about the choice of Armenak Kazaryan as the head of Armenian delegation at the negotiations. After all, to the best of our knowledge, in the Armenian government, the minister of state is in charge of science, culture, education, and press, and such issues apparently are not going to be discussed with Oleandrov and another member of the delegation—Lieutenant General Kuznetsov, chief of the Russian Federation Ministry of Defense's Engineer Troops.

Having decided to be thorough, we meticulously studied all information available to us but were unable to find a single sphere in the negotiations subjects where Kazaryan by virtue of the position he holds in the government could be truly useful.

It is said that there sometimes is logic in things commonly regarded as illogical. The fathers of the nation can pretend, of course, that Armenak Kazaryan is precisely such a case, but, in our opinion, this will not make things easier. Because jokes told by those who visit Armenia as part of some or other high mission do reach us as well.

Vouchers To Be Introduced in September

944K1803A Yerevan RESPUBLIKA ARMENIYA in Russian 16 Jul 94 p 1

[Report by S. Oganyan: "Vouchers Will Be Here in September"]

[Text] The vouchers, or more correctly, privatization certificates, most likely will be introduced in Armenia in September of this year. This was announced at yesterday's press conference by Boris Kocharyan, acting chairman of the State Commission on Privatization and Denationalization of State Property.

B. Kocharyan noted that privatization in Armenia may be divided into three phases. The first is privatization of small enterprises. Two years ago, 330 such entities were privatized. Now 36 are being reviewed by the state commission, and 219 more are being prepared for submission. The second phase is privatization of medium-size and large enterprises. Currently, it cannot be started, however, because of the absence of a firm legal base. Especially considering that the state commission head does not see any reason for haste in this matter. In the end, medium-size and large enterprises are to be converted into joint-stock societies.

"Today, however, I would like to concentrate on the third phase—partial and free-of-charge privatization," said B. Kocharyan. "The Supreme Council made changes to the law on privatization, in keeping with which 20 percent of the enterprises' property is transferred to the collective..."

Bread Supply Problems Noted; Price Doubles

NC2707202194 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0718 GMT 27 Jul 94

[Text] Yerevan ("LRAGIR" daily-PAST), 07/27/94—The situation with bread supply to the population has aggravated again during the few recent days.

Many stores do not receive bread or receive it with significant delays and only part of the due amount.

RA [Republic of Armenia] First Deputy Minister of Food [Foodstuffs and Procurement] A. Hovhannesyan said, the reason is in frequent failures at the bakeries, but these problems have always been there. Hovhannesyan denied the fact that the bread supply in the city has become worse. "The supply of bread continues as before," he said.

We have also found that the "street" price of bread has doubled during the last two or three days. A 1 kg loaf is now being sold for 100 drams.

Statistics Show Industrial Growth

NC2707202294 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0718 GMT 27 Jul 94

[Text] Yerevan ("LRAGIR" daily), 07/27/94—State Statistics Department reports that production of mobile power plants increased by 123.3 percent (90 units) in the first six months of 1994, compared with the corresponding period of 1993.

Production of copper wire increased by 280 percent (28 tons), alternating current generators 154.2 percent (256 units), children shoes 175.9 percent (452,000 pairs), aluminum foil 186 percent (610 tons), nonferrous metals 147 percent (970 tons), steel 125 percent (6,500 tons), tires 607.3 percent (66,800 units), sawn-timber 600 percent (2,400 cu.m.), paper 134.4 percent (285 tons), meat 120.6 percent (187 tons).

New Paper To Be Published in Yerevan

944K1803B Yerevan RESPUBLIKA ARMENIYA in Russian 16 Jul 94 p 1

[Unattributed report: "And Another Newspaper"]

[Text] A new newspaper in the Armenian language—ARAVOT—will soon begin publication in Yerevan. The newspaper's editor in chief, Ignat Mamyan, told FAKT correspondent that this will be a periodical on social, political, economic, and cultural topics. Financing will be done through income received from advertising and announcements. The newspaper's founder and publisher is its labor collective.

"Our newspaper will become a forum for broad population strata and will avoid at all costs any partisanship," said Mamyan.

Azerbaijan

Aliyev Cited on Hold on Power, Karabakh Peace

MM2707132594 Moscow ROSSIYSKIYE VESTI in Russian 27 Jul 94 p 3

[Interview with President Geydar Aliyev of Azerbaijan conducted by Vyacheslav Terekhov under the "Leader's Opinion" rubric; place and date not given: "Geydar Aliyev: No Threat to Democracy in Azerbaijan"]

[Text] The political career of Geydar Aliyev, the current president of the Azerbaijan Republic, has been accompanied by swings of fortune from disgrace to triumph which are encountered pretty rarely in major-league politics. Today he is the nationally elected head of an independent state.

[Terekhov] The first question, Mr. President, concerns the internal political situation in Azerbaijan. The removal of two leaders of the People's Front from parliament has been regarded by the opposition as a blow struck against democracy by the president. To what extent does this correspond to reality?

[Aliyev] In no way. There is no threat to democracy in Azerbaijan. Forty-three parties are registered in the Republic, and dozens of newspapers are published.

Even the People's Front, despite all the antistate and unlawful actions carried out by some of its supporters, functions normally. When that organization launches a campaign based on, to put it mildly, unverified facts, the official organs merely issue them a warning.

As far as the removal of the two People's Front supporters from the National Assembly is concerned, that is a normal phenomenon. At the end of 1990 a 350-strong parliament was elected in Azerbaijan. Then, when the People's Front fought against the Communist leadership of Azerbaijan, it forced the Communists to make concessions and created a 50-strong parliament, calling it the National Assembly—the milli mejlis—where 25 deputies were People's Front supporters, the other half being Communists.

When, after the removal of Mutalibov (the Communist leader of the republic), the People's Front came to power, it effectively denied all deputies not members of the National Assembly the opportunity to carry out their parliamentary activity. Some deputies tried to collect protest signatures, but People's Front supporters put a stop to their activity, although this was a clear violation of deputies' rights. When the National Assembly was created, a rotation of deputies was envisaged. This right has now been exercised—two members of the National Assembly have been removed from parliament and two new ones brought in. But they remain, like all the rest, deputies who enjoy full rights.

[Terekhov] Some people are of the opinion that now, when a war is going on, parliament is hampering the switch to a presidential form of government to make the country more "governable." How do you regard that?

[Aliyev] I should say that such proposals have come from the public. It has been proposed, for example, that the president declare martial law and introduce a curfew in a number of regions. But I have not taken those steps, as it would lead to a restriction of certain democratic rights and procedures proclaimed by me. My main goal is to establish democracy in Azerbaijan.

[Terekhov] Tell me, do you feel as president that your instructions are being executed, that is to say, that you, unlike your predecessors, hold the reins of government in your hands?

[Aliyev] The fact that I hold power is not in doubt. The fact that I can exercise that power is also clear.

I would like to talk about something else. When I announced my resignation from the Communist Party in Moscow in June 1991 and came to Baku, I was not given the opportunity to live there—the authorities obstructed me here. A commission was set up to investigate my past activity and so forth.

I then went to Nakhichevan, where, after the August putsch in Moscow, the situation changed—the oblast party committee was closed down. I was then a member of the Nakhichevan parliament. The Supreme Council sat for two days to elect a new chairman. More than 60,000 people assembled in the city and did not disperse for two whole days, demanding that I come to the parliament and head it. I accepted that duty.

Mutalibov (leader of the republic Communist Party at the time), who was still working in Baku then, called a presidential election for 8 September. I, however, then stated in parliament that the presidential election must be suspended, that Mutalibov was not worthy of the post, that he was implicated in the January events in 1990, and that he had also supported the State Committee for the State of Emergency. Mutalibov dispatched troops to Nakhichevan, but the people supported me.

After Mutalibov's departure, people began demanding that I return to Baku—my candidacy for the post of chairman of parliament was put forward. However, I turned down the proposal. A representative of the People's Front was elected speaker, and Abulfaz Elchibey was elected president.

After a while those people also began pressuring me, and the people saved me again, but I remained in isolation in Nakhichevan.

Eventually, after the tragic events in June, when the country was virtually in a state of civil war, the chairman of parliament, the prime minister, and the president himself sought to persuade me to come to Baku. I held out against this for a long time, but eventually agreed. That is to say, I want to stress that I returned here not because I wanted this, and I in no way fought for power—it was fate which brought me to the presidency.

Moreover, on becoming president I retained former officials belonging to the People's Front in my apparatus, although some of them engage in sabotaging my actions. Such instances do occur.

But at the same time I consider that my power is so strong that I can tolerate this for the sake of preserving the principles of democracy.

[Terekhov] Let's now turn to a complex problem—the problem of Karabakh. Talks are now continuing through the mediation of the Russian president's special representative, V. Kazimirov. Has progress been made?

[Aliyev] I would not want to expound on this issue at present. I can say in general terms that I advocate an end to the war and a solution to the Karabakh issue by peaceful means. The war will not bring victory to either Armenia or Azerbaijan.

But the question must be resolved on a just basis, on the basis of the sovereignty of Azerbaijan, its territorial integrity, and the inviolability of borders.

In this context I would note that the Minsk CSCE Group on Karabakh has done little to resolve the conflict, although I do regard that international organization's participation in the process as essential. Russia is a member of the Minsk group, but is itself making parallel efforts to end the war.

[Terekhov] How do you regard the commitment of disengagement armed forces to the region?

[Aliyev] They are indispensable, but they should act under CSCE auspices.

[Terekhov] Could Russian troops also be part of them?

[Aliyev] They could, but under CSCE mandate rather than purely as the Russian Army.

[Terekhov] Your attitude to links with Russia is of great interest to our readers.

[Aliyev] I cannot criticize Moscow at all. Relations between Azerbaijan and Moscow were pretty cool in the past through the fault of Baku. I felt that when I worked in Nakhichevan. I was opposed in principle toward such a stance by the Azerbaijan leadership. And therefore when I was elected chairman of the Supreme Council I stated in my first speech that improving relations with Russia was one of the most important tasks.

However, it was not easy for me to tackle this question. The Azerbaijan parliament even blocked consideration of the country's joining the CIS.

I cannot say that the CIS is an organization which fully meets its purpose—I feel this after having attended three Commonwealth summits now. It can surely not be considered normal when countries belonging to a single association find themselves in a state of war, as Azerbaijan and Armenia do, can it? I have proposed that this issue be specially examined at a conference of CIS members, but the members have avoided doing so. Therefore, I cannot regard the Commonwealth's work as satisfactory, although I am convinced that the organization is necessary.

[Terekhov] The other day the well-known nonstate airline Transaero opened a new Moscow-Baku-Moscow route. How do you see the potential for Russian-Azerbaijan contacts at nonstate level?

[Aliyev] Such steps by Russian firms and companies—both state and nonstate—delight me. Transaero is a pretty prestigious airline, and the opening of the new route does indeed indicate an expansion of Russian-Azerbaijan contacts on not just the intergovernmental level. I can only welcome any such actions.

Karabakh Official Meets French Parliamentarians

NC2707194894 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 27 Jul 94

[Text] Manuel Sargisyan, adviser to the Karabakh foreign minister, held a meeting with the French National Assembly delegation headed by (Roland Bleu) at the Nagorno-Karabakh Republic's mission in Yerevan.

They examined matters relating to the present phase of peaceful resolution of Karabakh-Azerbaijan conflict.

Sargisyan told SNARK that in view of the fact that the French delegation is also planning to meet with all sides to the conflict and other involved parties, including Russian and Turkish officials and Chairman of CSCE Minsk Group Jan Eliasson, it appears that the French Government intends to take an active role in the efforts for a peaceful solution of the Karabakh problem.

Russian, CSCE Envoys To Visit Region

NC2607182394 Baku TURAN in English 1636 GMT 26 Jul 94

[Text] Baku, 26 Jul (TURAN)—Joint visit of special representative of Russia's President, Vladimir Kazimirov, and the CSCE Minsk Group Chairman, Jan Eliasson, to Transcaucasia is expected to take place in early August, Vladimir Kazimirov told TURAN.

Kazimirov said that this visit must be substantially prepared and "for this purpose Swedish diplomats Mosberg and Andermann are arriving today in Moscow." According to Kazimirov, Mosberg is appointed the Ambassador of Sweden to Morocco and he turns over his duties to Andermann.

Speaking about the results of Baku's talks on 23 July, Kazimirov said: "Our purpose was to promote consolidation of cease-fire agreement, which is observed from 12 May. However, we think that the cease-fire agreement can be broken any time by local incidents."

According to Vladimir Kazimirov, it is important that the warring parties should carry out their obligations and observe cease-fire. "Khankendi (Stepanakert), Yerevan and Baku agree to observe cease-fire and we are satisfied with this fact."

"We are also satisfied with the fact that the parties to the conflict agree to work up the issues concerning conclusion of major political agreement on settlement of the conflict", said Vladimir Kazimirov. "Like Russia, several our partners come out for conclusion of major political agreement by late August 1994."

Vladimir Kazimirov said that during his visit to the conflict zone he informed the warring parties about coordination of efforts of Russia and the CSCE Minsk Group.

"The Minsk Group partners call the document concerning the settlement of the Armenian-Azerbaijani conflict "Consolidated Peace Plan," mentioned Vladimir Kazimirov. He said that Russia does not object against such name of the agreement. "However we insist on juridically clear form of the document, that is Agreement on Armed Conflict Cessation." He mentioned that the Consolidated Peace Plan is based on the Russian settlement plan.

Vladimir Kazimirov said that the positions of the parties concerning the issue on Shusha and Lachin remain the same. "We have to seek for compromise or fighting can be resumed any time," says representative of Russian President, Vladimir Kazimirov.

Guliyev Points Out Drawbacks of CSCE Peace Plan

NC2707205894 Baku TURAN in English 1820 GMT 27 Jul 94

[Text] Baku, 27 July (TURAN)—Yesterday at the end of the Milli Mejlis session, [Chairman of Parliament] Rasul Guliyev informed the Milli Mejlis members about his talks with special representative of Russian President, Vladimir Kazimirov.

"Although Russian settlement plan was changed, the issue concerning liberation of occupied territories is still in the background. That's why the Azeri party did not agree with that variant", said Rasul Guliyev.

He said that the Armenian party prefers the settlement plan of the CSCE Minsk Group. "That plan provides for separation of the warring parties, dispatching of monitors between them, and negotiations on the second stage. The CSCE Minsk Group adopted this plan on its session in Vienna on 6 July," said the speaker of Azeri Parliament.

Rasul Guliyev thinks that the CSCE settlement plan is dangerous for Azerbaijan. "It does call for liberation of

Shusha and Lachin and does not have the mechanism for withdrawal of Armenian troops from occupied territories. Moreover, the talks can be continued many years while Azeri territories will remain occupied," said Rasul Guliyev.

Rasul Guliyev mentioned that Azerbaijan stands for a large scale treaty with obligatory schedule for withdrawal of troops.

The Azeri speaker said that the main task is to return refugees to their native lands.

Parliament Speaker Criticizes CSCE Peace Plan

LD2707181294 Moscow INTERFAX in English 1628 GMT 27 Jul 94

[Text] Rasul Guliyev, chairman of the Azeri parliament, described the CSCE Karabakh peace plan as fraught with dangers for Azerbaijan.

Briefing parliament Thursday [28 July], he said that the plan would result in the consolidation of Armenian conquests.

He said the plan did not provide for the withdrawal of Armenian troops from occupied Azeri territory or from the Azeri-populated towns of Shusha and Lachin.

Guliyev said that as the talks continued, probably for years, the Azeri lands would be kept under occupation.

He said that Azerbaijan was calling for a comprehensive treaty, which would incorporate a schedule for Armenian withdrawal from occupied Azeri lands and added that the return of refugees to their homes before the winter was the chief priority.

Guliyev noted that Armenian withdrawal from Azeri lands was not provided for in the plan that the Russian president's envoy Vladimir Kazimirov had offered and so Azerbaijan could not subscribe to the Russian peace plan at the moment, either.

Government Supports Proposal To Send Russian Troops

LD2707201494 Moscow INTERFAX in English 1315 GMT 27 Jul 94

[Text] Azerbaijan is prepared to support the Russian proposal for sending Russian peacekeepers to Karabakh and is willing to take part in financing the operation. However, that will only be possible on the condition that Armenian forces unconditionally withdraw from Shusha and Lachin, a reliable source in the Azerbaijani presidential staff has said.

The official said Baku let its attitude be known to Russia's special presidential envoy for a settlement in Nagorno-Karabakh Vladimir Kazimirov during his visit to the Azerbaijani capital late last week.

The source said that if this condition was met Azerbaijan would agree to the dispatch of 3,000 to 6,000 peacekeepers to the conflict zone. Azerbaijan believes that those forces would formally act as a CIS joint force, however, they should act on the basis of a CSCE mandate, the source said.

The official said that Russia's share in the CSCE peacekeeping force in Karabakh would likely be 60 percent to 90 percent.

Earlier, officials in Baku said that the share of one country's military contingent in any future CSCE force in Nagorno-Karabakh must not exceed 30 percent.

The peacekeepers' mandate must have an end date, a six-month- term was discussed as a feasible one, the source said.

He added that every six months the mandate could be prolonged by the CSCE at the request of the Azerbaijani side; the decision to prolong the mandate could be made by the parliament of Azerbaijan as well.

Baku is also for, the source noted, peacekeepers being moved in only after CSCE observers arrive in the area. For instance, the sending of 264 CSCE observers within four to six weeks after the conclusion of a political agreement is being discussed.

Milli Mejlis To Revisit Privatization Debate

NC2607193094 Baku TURAN in English 1636 GMT 26 Jul 94

[Text] Baku, 26 Jul (TURAN)—The Milli Mejlis of Azerbaijan will discuss the privatization program in near future again, TURAN was told by the press service of the State Committee for Property (SCP). The program was several times discussed in the Milli Mejlis before. Some deputies stood for immediate privatization and the others proposed stage by stage privatization.

The premier Suret Guseynov stands for stage by stage privatization which is to take into account war conditions. According to him, the interests of the Karabakh participants and invalids, as well as the families of the killed in that war, should be taken into consideration.

A Centre for Humanitarian Research and Programming in the Supreme Council of Azerbaijan together with the press service of SCP held an interrogation on the subject "If Azerbaijan needs privatization?". According to the interrogation 39 percent answered "yes," 34.2 percent answered "no," 21.6 percent could not answer that question, 1.3 percent refused to answer and 3.9 percent expressed a certain opinion.

Presently only the privatization of flats, which had begun since 1990 took place in Azerbaijan. Despite the fact that all civilians of Azerbaijan have right to privatize their flats free of charge, only 2 percent of flats, totalling 10,509 flats, that totals 502,000 square metres, had been privatized since 1990.

According to specialists of SCP bureaucracy and bribery of executive authorities prevents this process.

Government Sees Signs of Economic Stabilization in 1995

LD2607125994 Moscow INTERFAX in English 1044 GMT 26 Jul 94

[Text] Azerbaijan will be faced with a much greater decrease in gross domestic product this year than the government predicted at the beginning of the year.

Azerbaijan's Economics Ministry said that by the end of the year the rate of industrial decline will stand at 13 percent, compared to 8 percent predicted earlier. But even this estimate may prove overly optimistic, given the 27 percent industrial decline, registered in the first half of the year.

Head of the Economics Ministry's Department for Macroeconomics and Structural Policies Oktay Akhverdiyev said, however, that the forecast had been based on growth tendencies noticed after a catastrophic drop in industrial production at the beginning of the year. In June, industrial production grew by 5 percent from to May, he said. The government said signs of economic stabilization will appear in Azerbaijan in 1995.

In 1994, the annual inflation index is expected to stand at 880 percent, as compared with 700 percent forecast (monthly inflation is 20 percent). The production of agricultural produce is expected to increase by 5.7 percent by the end of the year.

Baku Reports Akhundov's Briefing on Economic Development

NC2707065894 Baku Radio Baku Network in Azeri 1700 GMT 25 Jul 94

[Text] A briefing was held at the presidential apparatus today on the implementation of the presidential decree, dated 15 June 1994, on the increase of the price of bread and [words indistinct] and improvement of the social standing of the people. Vahid Akhundov, state adviser on economic policies, addressed the convocation on the economic situation in the Republic, measures taken [words indistinct], and attraction of foreign investments in the Republic's economic field.

It was noted that production of consumer goods increased by 5 percent in a month, the first increase during the past few years. Meanwhile, Azerbaijan's manat maintained its value for more than a month when the value of Russia's national currency weakened against the dollar. Azerbaijan imports most of the consumer goods it needs. In view of that, reducing their prices is impossible.

Maintaining the manat's value and the rate of production is a common objective at the present time. Azerbaijan's economy will improve considerably if we succeed in maintaining that trend until the end of the year. So, we shall [words indistinct] and maintain [words indistinct] policy. Naturally, avoiding the system of making credits available in various economic sectors is impossible. However, [words indistinct] will increase if the volume of credits rises. That will undermine the economic field. In other words, credits, which [words indistinct], are the enemy of the Republic's economy.

The establishment of appropriate trade relations with foreign countries will help us improve our economy. [passage indistinct]

Replying to a question by the journalists on the possibility of the manat being devalued in September, Vahid Akhundov said that this was impossible because they maintained the value of the national currency. Furthermore, he said that the determination displayed on the Republic's border and in the military field will be the main motivating factor in the effort to improve the Republic's economy.

Economics Ministry Reports Foreign Investment

NC2607212594 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 26 Jul 94

[Text] The Ministry of Economics has reported that thus far a total of $82.196 billion has been invested in our republic by 45 countries. Most of the capital, $54.365 billion, belongs to Turkey. Some 336 joint ventures have been formed with this neighboring country.

The United States comes second with $7.742 billion and 41 joint ventures.

The Islamic Republic of Iran comes third with $1.736 billion invested in Azerbaijan. There are 174 joint ventures with this neighboring state.

Most investment by other countries are in the oil, chemical, communications, transportation, and social service fields.

Industrial Production Up 5.5 Percent in Jun

NC2607183394 Baku TURAN in English 1636 GMT 26 Jul 94

[Text] Baku, 26 Jul (TURAN)—In June 1994 the volume of production in the basic fields of industry has increased by 5.5 percent, reports the State Committee for Statistics.

In June production of engineering industry has increased by 71 percent, chemical and petrochemical industry by 32 percent, nonferrous metal industry by 23.4 percent, construction of materials by 7.3 percent.

However, for the past six months of 1994 compared with the same period of the previous year industrial production has decreased by 25.3 percent, the production of energetics by 10.8 percent, oil and gas output by 8.2 percent, ferrous and nonferrous metal industry by 80.1 percent, engineering industry by 45.1 percent, chemical and petrochemical industry by 42 percent, construction by 31 percent, food industry by 31 percent.

Georgia

Russian Paratroop Platoon Sent To Inspect Kodor Gorge

LD2607140194 Moscow INTERFAX in English 1250 GMT 26 Jul 94

[Text] On Tuesday [26 July] a reconnaissance platoon of Russian paratroopers from the peace-keeping force in Abkhazia and UN military observers again headed for the Kodor gorge to inspect the speed of withdrawal of Georgian troops. This was reported to INTERFAX by the command of the peace-keepers.

Meanwhile, according to the Abkhaz Defense Ministry, the Georgian side has not started its withdrawal from the gorge.

Earlier the Abkhazian side categorically demanded the removal of Georgian formations from the area before 30 July.

Russian General Visits Conflict Zone

LD2707140294 Moscow INTERFAX in English 1122 GMT 27 Jul 94

[Text] First Deputy Chief of Russia's General Staff, Cl.-General Vladimir Zhurbenko, arrived in the Georgian-Abkhaz conflict zone on Tuesday [26 July], INTERFAX was told by the press center of Georgia's Defense Ministry.

The same day he conferred with Georgia's Defense Minister, Varden Nadibaidze, in Zugdidi in the west of Georgia. No details of their conversation were revealed.

Subsequently Zhurbenko and Nadibaidze went to the village of Rukhi, where refugees from Abkhazia were in the seventh day of protest against the procrastination on their being allowed to return home.

According to the press center, the Russian general told the refugees that at the moment a solution to their problem depends on the politicians, not on the military. The peacekeeping troops are ready to accomplish any task set for them, he said.

The delegation from Russia's Federation Council which is visiting Tbilisi is expected to arrive in the conflict area on Wednesday.

Minister Demands Guarantees Before Pullout From Abkhazia

AU2707133994 Paris AFP in English 1321 GMT 27 Jul 94

[Text] Tbilisi, 27 July (AFP)—Georgia will not withdraw its forces from the Kodori Valley in the breakaway Republic of Abkhazia without security guarantees for troops and civilians there, a top Georgian defense official said Wednesday.

"We are demanding guarantees from the Russian peacekeeping force and the UN that Abkhazia will not occupy the Kodori Valley once our forces have withdrawn," Deputy Defense Minister Mikhail Ukleba told AFP by telephone.

He would not say how many Georgian Defence Ministry troops are left in the Kodori Valley but an official source claimed there were only 40 Georgian soldiers left.

All Georgian troops were due to be withdrawn from the valley under a Russia-backed peace accord signed last May.

Around 850 Georgians from the western region of Svanetia, many of whom fought last year in irregular forces against the Abkhazians, are left in the mountainous villages of Abkhazian Svanetia.

Georgia lost the autonomous republic of Abkhazia, situated in the northwest of the country, to Abkhazian separatist forces last September after 13 months of fighting.

Over 200,000 Georgians fled the conflict and are now waiting to return to Abkhazia under the provisions of the peace accord.

Russian Deputy Foreign Minsiter Boris Pastukhov travelled to Zugdidi Wednesday to check on Russian peacekeeping operations and was scheduled to meet with Abkhazian leader Vladislav Ardzinba in Gudauta Wednesday.

The visit followed protests last week by refugees who claimed they had been prevented from returning to Abkhazia.

Negotiations on the political status of Abkhazia were scheduled to resume in Geneva under United Nations auspices on 31 August.

Opposition Demands Withdrawal of Russian Forces

NC2707204494 Yerevan SNARK in English 1458 GMT 27 Jul 94

[Text] Tbilisi, 27 July (SNARK)—Multi-thousand riot organized by the oppositional party "Round Table/Free Georgia" took place today in the Georgian capital.

Principal demands of rioters are the withdrawal of Russian peacekeeping forces from Georgia and resignation of the state head Eduard Shevardnadze, told the vice speaker of the party, Temur Kikacheishvili, in his interview to SNARK today. He emphasized specially that the demand for Shevardnadze's resignation will be set forth at each new meeting of the opposition.

Turkish Agency, Tbilisi Sign Cooperation Agreement

LD2707191894 Tbilisi First Program Television Network in Georgian 1600 GMT 27 Jul 94

[Excerpt] Georgian Deputy Foreign Minister Mikheil Ukleba and Omud (Tariq), the president of the Turkish International Cooperation Agency, TIKA, signed an agreement on technical cooperation between the two countries. The Turkish Government, on the basis of coordination with the Georgian Foreign Ministry and by means of TIKA, will assist our government in carrying out specific projects, as well as working out the technical and economic basis for them. The agency will also assist in training Georgian specialists and help to cooperate with state and private enterprises in the following fields: Power and engineering, transport, telecommunications network, privatization, in working out a restoration program for the market economy, financing system, agriculture, irrigation, reconstruction of industrial enterprises, tourism, health service, ecology, education, science and culture, marketing, and foreign trade. [passage omitted]

Poll Shows 45 Percent See No 'Signs of Stability'

AU2607152994 Tbilisi SVOBODNAYA GRUZIYA in Russian 19 Jul 94 p 1

["SVOBODNAYA GRUZIYA Blitz Poll"]

[Text] Do you think there are signs of stability in Georgia?

Yes—43.76 percent

No—45.15 percent

Difficult to say—11.09 percent

Shevardnadze Heads June Popularity Poll

AU2707134094 Tbilisi REZONANSI in Georgian 9-10 Jul 94 p 1

["The Popularity Rating of Georgian Politicians (June 1994)"]

[Text]

	Positive Assessment	Negative Assessment
1. Eduard Shevardnadze	+ 1.98	- 0.17
2. Irina Sarishvili [leader of the opposition National-Democratic Party group of parliamentary deputies, former deputy prime minister]	+ 1.35	- 0.16
3. Aleksandre Chikvaidze [foreign minister]	+ 1.28	- 0.16
4. Jaba Ioseliani [head of the Georgian delegation at Georgian-Abkhazian talks, member of Parliament]	+ 1.07	- 0.34
5. Aslan Abashidze [chairman of Ajarian Autonomous Republic Supreme Council]	+ 1.03	- 0.31
6. Giorgi Chanturia [chairman of National-Democratic Party, husband of Irina Sarishvili]	+ 0.88	- 0.47
7. Vakhtang Goguadze [speaker of Parliament]	+ 0.61	- 0.34
8. Nodar Natadze [chairman of opposition Popular Front]	+ 0.47	- 0.59
9. Ivlian Khaindrava [leading member of opposition United Republican Party]	+ 0.39	- 0.63
10. Vakhtang Rcheulishvili [deputy speaker of Parliament]	+ 0.37	- 0.56
11. Tedo Paatashvili [chairman of opposition "Charter-91"]	+ 0.36	- 1.00
12. Akaki Asatiani [chairman of the opposition Union of Traditionalists, former chairman of Supreme Council in government of ex-President Gamsakhurdia]	+ 0.21	- 1.01
13. Tengiz Sigua [former prime minister, member of Parliament, in opposition to Shevardnadze]	+ 0.17	- 1.33
14. Tamar Chkheidze [leader of opposition Ilia Chavchavadze Society]	+ 0.17	- 1.51
15. Irakli Tsereteli [leader of National Independence Party, one of leaders of radical opposition]	+ 0.14	- 1.54
16. Tengiz Kitovani [former defense minister, member of Parliament, in opposition to Shevardnadze]	+ 0.07	- 1.60

The poll was organized by the REZONANSI Sociological Service and conducted in Tbilisi on 4 July among 1,000 persons. Citizens assessed the politicians according to a seven-point system, ranging from minus three (the lowest rating) to plus three (the highest rating). A zero assessment [meaning "don't know or "refrain from giving an assessment"] was also included in the rating.

Commission Warns of Harvest Problems, Closure of Bakeries

AU2707114494 Tbilisi REZONANSI in Georgian 19-20 Jul 94 p 2

[Report by Zura Chkhenkeli: "Bread Combines Are Expected To Come To a Standstill"]

[Text] A session of the food commission was held in the Cabinet of Ministers under the chairmanship of [Deputy Prime Minister] Avtandil Margiani. Emir Burjanadze [identity not known] pointed out that there was a most serious energy crisis in the Republic. As a result of poverty, it is not possible to gather in and prepare the harvest. The equivalent of $600,000 in coupons is needed for this purpose. Gamgebeli [local administrative board chairmen] are stating that, unless the appropriate sum is allocated, it will not be possible to supply wheat to the state. Moreover, as has become known, there are big problems regarding the railways. They are demanding $600 to let one car transit the territory of Azerbaijan. It was emphasized at the session that supplying the Army with food was becoming very complicated. It is necessary to introduce a new kind of bread voucher. A part of the voucher should be left with the seller, which will make it easier to control the illegal trade in bread. Those participating in the session approved the proposal that people going on holiday should be given flour instead of bread. It was pointed out that, if it was not possible to pay wages, bread combines would come to a standstill in the near future.

Vice Premier Appeals to Turkey for Help With Electricity

NC2707204294 Yerevan SNARK in English 1458 GMT 27 Jul 94

[Text] Tbilisi, 27 July (SNARK)—Zurab Kervalishvili, the vice-premier of Georgia, appealed to Turkey with request to supply Georgia with 400 MegaWatt electricity for the next four months. As SNARK was told in the press center of the Georgian Government, Vood Tarik [name as received], the president of Turkish Agency of International Collaboration , was informed by the Georgian vice premier about difficult situation in the field of energy of the Georgia. It was mentioned at the meeting that soon the office of the Agency of International Collaboration would be set up in Georgia.

Estonia

Prime Minister's Statement on Agreement With Russia

LD2707132494 Tallinn Radio Tallinn Network in Estonian 1200 GMT 27 Jul 94

[Statement by Estonian Prime Minister Mart Laar on Estonian-Russian agreements signed in Moscow on 26 July—read by announcer]

[Text] On 26 July 1994 Estonian President Lennart Meri and Russian Federation President Boris Yeltsin signed an agreement on the withdrawal of the Russian Federation's armed forces from the Republic of Estonia and an agreement on the social protection of Russian military pensioners.

The first agreement is of a technical nature. Under this agreement the Russian troops will leave Estonia by 31 August 1994. After this date there will not be a single Russian serviceman in Estonia. The agreement is due to be ratified but it will be implemented temporarily from the moment it was signed. The agreement will come into force on the day letters of ratification are exchanged. It expires the moment Russian armed forces are completely withdrawn.

The second agreement deals with social guarantees for Russian military pensioners. Under the agreement the Government of the Republic of Estonia has the right to decide about the issuance of residence permits to Russian military pensioners. Under Article 15, the agreement will be implemented from the moment it is signed but it comes into force on the day the parties confirm compliance with domestic state procedures. In case of Estonia, the following domestic state procedures apply.

The signed agreements will be sent to the Justice Ministry of the Republic of Estonia for examination to determine that the agreement is in accordance with the legislation in existence in the Republic of Estonia. Next, the republican government will evaluate the agreements. If the decision is positive, the agreements will be sent to the Riigikogu for ratification. Under the Constitution of the Republic of Estonia, the supreme power of decision rests with the Riigikogu.

Meri Calls Agreements 'Europe's Victory'

LD2707162994 Moscow INTERFAX in English 1315 GMT 27 Jul 94

[Text] President Lennart Meri, of Estonia, sees the agreement on the Russian troop withdrawal from Estonia and social guarantees for military pensioners remaining in Estonia as Europe's victory.

He told journalists at Tallinn's airport upon his return from Moscow that On September 1 there would be no more Russian soldiers in Latvia, Estonia or Germany. "Together with the whole of Europe we can say that in that respect the legacy of World War II has been done away with." President Meri said that the Moscow agreements were bound to win Estonia greater credibility in the world, improve the climate for investment and clear the path for integration into European structures.

Asked whether the conclusion of the agreement on social guarantees for military pensioners and their families was the price Estonia had to pay for the withdrawal of troops, President Meri said that the question of military retirees was a problem inflated by journalists, poorly informed on the issue. President Meri said that of the 10,700 Russian military pensioners in Estonia 2500 already have Estonian citizenship, and a majority of the others were aged over 65 and entitled to residence permits under the government's resolution of December 1993.

"We moved strictly within the framework set by parliament and the government," President Meri said.

Russian Baltic Fleet Commander Arrives in Tallinn

LD2707200994 Moscow Radio Moscow in Russian to Tajikistan 1600 GMT 27 Jul 94

[From the "Slavyanka" program of the Russian Defense Ministry]

[Text] The solemn ceremony to mark the closure of the Tallinn base of the Russian Navy takes place on 28 July. Admiral Vladimir Yegorov, commander of the Baltic Fleet, has arrived in the Estonian capital to take part in the event.

Government To Increase Energy Prices in Two Stages

LD2807110194 Tallinn Radio Tallinn Network in Estonian 1500 GMT 26 Jul 94

[Text] There will be new oil-shale prices in Estonia beginning 1 August and new electricity prices from 1 September, Arvo Niitenberg, the energy minister without portfolio, stated at a government news conference today.

New prices will be introduced in two stages: first in August and September, and the next beginning 1 January of next year. Beginning 1 August a tonne of oil-shale will cost 61 kroons on average and 68 kroons beginning 1 January. The price of electricity to businesses will be 31 sents per kWh on average beginning 1 September and 36 sents per kWh beginning 1 January. For the population the price of a kWh will amount to 29 sents beginning September and 35 sents beginning January. Niitenberg said that the increased oil-shale and electricity prices will come into force on different dates because thermal power plants still have some cheap oil-shale.

Latvia

Krastins Views Future Cabinet's Qualities

LD2707184894 Riga Radio Riga Network in Latvian 1700 GMT 27 Jul 94

[Text] A session of the Latvian Way parliamentary group has just ended. Andrejs Krastins also took part. He made it known that he is willing that the new Cabinet of Ministers should also include professional people from the Latvian Way group. Describing the Cabinet of Ministers which is now being formed, Andrejs Krastins said the following.

[Begin Krastins recording] This will be the government which will be politicized to the minimum and will be distanced from the Saeima; in this case the political interests of the parliamentary groups will be subordinated to state interests in the spheres of the economy, security, and foreign affairs, where specific tasks have to be carried out within a specific and definite time—until the next Saeima elections, this is absolutely clear, more than a year—in the most ideal conditions for this government, not the other way round [sentence as heard]. So then, [words indistinct] its program, it has to (?look) very specifically at this timescale.

An offer has been made to Latvian Way, appreciating their high level of professionalism, to take part in this, well, let us say, practical government or a government of national reform, or whatever we call it in the future. [end recording]

Lithuania

Foreign Minister Hails Russian-Estonian Agreement

LD2707150294 Moscow ITAR-TASS in English 1245 GMT 27 Jul 94

[By ITAR-TASS correspondent Vladas Burbulis]

[Text] Vilnius July 27 TASS—"Presidents Boris Yeltsin and Lennart Meri showed political wisdom by signing in Moscow on Tuesday an agreement on the withdrawal of Russian troops from Estonia's territory by August 31, as well as on social welfare guarantees for Russian military pensioners," Lithuanian Foreign Minister Povilas Gylys said.

In an interview with ITAR-TASS on Wednesday, Gylys said that "this is an appropriate way out of the deadlock in the Russian- Estonian talks." He welcomed the agreement as a "courageous step of the two presidents."

The withdrawal of former Soviet troops from Latvia and Estonia by August 31, 1994 "creates an absolutely new situation in the region by strengthening stability and security" in the Baltic republics.

The signing of the Russian-Estonian documents also shows that "democratic processes in the upper echelons of power in Russia are gaining momentum," Gylys said.

Further Foreign Ministry Reaction

LD2707205794 Vilnius Radio Vilnius in English 1900 GMT 27 Jul 94

[Text] The Estonian and Russian presidents agreed on the withdrawal of the Russian army from Estonia by 31 August. The agreement was signed in Moscow on 25 July. The Lithuanian Foreign Ministry issued a statement saying it is convinced that this is one more step toward security and stability in the Baltic region. The statement on the withdrawal of Russia's army from Estonian territory also said that the agreement between Estonia and Russia is an act of trust and opens new opportunities for constructive dialogue between the Baltic states and Russia.

According to the statement of the Lithuanian Foreign Ministry, the Lithuanian Government views the agreement between Russia and Estonia as Russia's meeting its international engagements [as heard].